

July 13, 2024

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
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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 76th Annual General Meeting and Integrated Annual Report of the Company for the Financial Year 2023-24

Please refer to our letter dated May 2, 2024 and June 25, 2024 with respect to the 76th Annual General Meeting (the 'AGM') of the Members of the Company scheduled to be held on Tuesday, August 6, 2024 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 2023-24;
2. Notice of the 76th AGM. The brief details of the agenda items proposed to be transacted at the 76th 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	Tuesday, July 30, 2024
Commencement of remote e-voting	Friday, August 2, 2024 (9:00 a.m. IST)
End of remote e-voting	Monday, August 5, 2024 (5:00 p.m. IST)

Kindly note that the aforesaid documents are also being sent through electronic mode to all those Members whose email address are registered with the Company/Link Intime India Pvt Ltd (the "Registrar and Transfer Agent" of the Company)/Depository Participant(s) in accordance with the applicable circulars.

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 Parte
Company Secretary & Compliance Officer

Encl.: a/a

\\172.16.31.16\Legal and Secretarial Documents\01) Blue Star Limited\2024-25\AGM\SE Intimation - Integrated Annual report and AGM Notice

Annexure A

Resolution No.	Details of Business	Ordinary / Special Resolution
ORDINARY BUSINESS		
1	To receive, consider and adopt: a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, along with the reports of the Board of Directors and Auditors thereon; and b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the report of the Auditors thereon.	Ordinary
2	To declare a final dividend of Rs 7 per equity share of the face value of Rs 2 each of the Company for the financial year ended March 31, 2024.	Ordinary
3	To appoint a Director in place of Ms Sunaina Murthy (DIN: 07865860), who retires by rotation, and being eligible, offers herself for re-appointment.	Ordinary
SPECIAL BUSINESS		
4	Approval of Cost Auditors' remuneration for FY24 and FY25	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; Fax: +91 22 6665 4151

NOTICE is hereby given that the 76th Annual General Meeting (the 'AGM') of the Members of Blue Star Limited ('the Company') will be held on Tuesday, August 6, 2024 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:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, along with the reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the report of the Auditors thereon.
2. To declare a final dividend of ₹ 7 per equity share of the face value of ₹ 2 each of the Company for the financial year ended March 31, 2024.
3. To appoint a Director in place of Ms Sunaina Murthy (DIN: 07865860), who retires by rotation, and being eligible, offers herself for re-appointment.

B. SPECIAL BUSINESS

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

Approval of Cost Auditors' remuneration for Financial Year 2024 and Financial Year 2025

"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, M/s 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, 2024 and March 31, 2025, 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

Date : May 2, 2024

Place : Mumbai

By Order of the Board of Directors

Rajesh Parte

Company Secretary & Compliance Officer

Membership No. A10700

NOTES:

1. Pursuant to the General Circular numbers 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (MCA) and Master Circular number SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with Circular number SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023, issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold Annual General Meeting 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. 4 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 Director 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 bhaskar@nlba.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 after August 6, 2024 subject to deduction of tax at source ('TDS') to those Members or their mandates:

- a) Whose names appear as Beneficial Owners as at the end of the business hours on Friday, July 19, 2024 ('Record Date'), in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - b) Whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Friday, July 19, 2024 ('Record Date'), after giving effect to valid request(s) received for transmission/transposition of shares and lodged with the Company/ its Registrar & Share Transfer Agents on or before Friday, July 19, 2024.
7. Pursuant to the provisions of Section 124 of the Act, the unpaid/unclaimed Dividend up to the financial year 2015-16 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 2016-17, which remain unpaid/unclaimed for a period of 7 years or more, will be transferred to IEPF. Members whose dividend for the financial year 2016-17 are unpaid/unclaimed are requested to make their claim to Link Intime India Private Limited, Registrar and Transfer Agent (RTA) on rnt.helpdesk@linkintime.co.in 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 2024. 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.
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 www.bluestarindia.com. Members can however, claim both, the unpaid/unclaimed dividend amount and the 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 and in the manner specified under IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016.
 9. The Company's Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is Link Intime India Pvt. Ltd. having their office at C-101, 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. Members are advised to avail the facility for receipt of dividends through Electronic Clearing Services (ECS). The Reserve Bank of India has launched a facility for receipt of dividends through National Electronic Clearing Service, a centralised ECS operation to provide a wider network, which requires updating of new bank account details with the DP. You are therefore advised to update your bank details with your DP (in case of those who are holding shares in dematerialised mode) or the RTA (in case of those who are holding the shares in physical mode) at an early date in order to avail the facility in future.
12. 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.
13. 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, vide its Circular dated January 25, 2022, has clarified that listed companies, with immediate effect, 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.
14. 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 SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, Members, who hold shares in physical form and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Bank Account Details and (v) Signature], shall be eligible to get dividend only in electronic mode with effect from April 1, 2024. Accordingly, payment of final dividend, subject to approval by the Members in the AGM, shall be paid to physical holders only after the above details are updated in their folios. Members may refer to FAQs issued by SEBI in this regard available on their website at https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf (FAQ Nos. 38 & 39). Communication in this regard is being sent to all physical holders whose folios are not KYC updated at the latest available address/email-id. 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. The record date of Dividend is July 19, 2024. 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 . Members can download the forms to make their service request with RTA either by email to rnt.helpdesk@linkintime.co.in from the registered email id or by sending post to C-101, 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.	

15. Shareholders may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that the dividend paid or distributed by a company after April 1, 2020 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, 1961.

For Resident shareholders, TDS shall be deducted under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend, 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 financial year 2024-25 does not exceed ₹ 5,000; or
- The shareholder provides duly filled Form 15G (applicable to individual)/Form 15H (applicable to an Individual above the age of 60 years), provided that all the eligibility conditions are being met. PAN is mandatory for members providing Form 15G/15H.

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, Form 10F, 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/343782/applicability-on-tds-on-dividend.pdf>.

The aforesaid documents and declarations are required to be submitted to our RTA at its dedicated weblink at <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or send the scanned copies of the documents at the email address bluestardivtax@linkintime.co.in on or before Friday, July 12, 2024 by 5:00 p.m. No communication on the tax determination/deduction in respect of the final dividend shall be considered/entertained post July 12, 2024, 5:00 p.m. Shareholders may note that any queries in this respect should be addressed and sent to our RTA at its email address bluestardivtax@linkintime.co.in.

An email communication is being sent to Members regarding this change in the Income Tax Act, 1961 as well as relevant procedure to be adopted by the Members to avail the appropriate tax rate.

16. In compliance with the Circulars, the Annual Report for the financial year 2023-24 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/RTA. 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>.

17. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. 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.
19. 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.
20. **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 Friday, August 2, 2024 (9:00 a.m. IST) and end on Monday, August 5, 2024 (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 of Tuesday, July 30, 2024 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 circular dated December 9, 2020, on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with depositories and 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	<p>A. NSDL IDeAS facility</p> <p>If you are already registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> 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. <p>If the user is not registered for IDeAS e-Services:</p> <ol style="list-style-type: none"> 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 <p>B. E-voting website of NSDL:</p> <ol style="list-style-type: none"> 1. After successfully registered on IDeAS, 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. <p>C. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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'. 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. If the user is not registered for Easi/ Easiest, option to register is available at: www.cdslindia.com 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 depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant 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 22 55 33

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?

- 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.
- Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- 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 129290 then user ID is 129290001***

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 129290 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 rnt.helpdesk@linkintime.co.in.
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 rnt.helpdesk@linkintime.co.in. 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 circular dated December 9, 2020, on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and 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 bhaskar@nlba.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 Mr Amit Vishal, Assistant Vice President – NSDL or 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 26, 2024 (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 Tuesday, July 30, 2024.
- 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. Tuesday, July 30, 2024, 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. Tuesday, July 30, 2024 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. Mr Bharat Upadhyay, Partner of M/s N L Bhatia & Associates, Practicing Company Secretaries (Membership No. 5436 and CP No. 4457) has 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. Tuesday, August 6, 2024.

Annexure to Notice

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

Item No. 4

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 meetings held on May 4, 2023 and May 2, 2024, has approved appointment of M/s 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, 2024 and March 31, 2025 respectively at a remuneration of ₹ 14,30,000 (Rupees Fourteen Lakhs Thirty Thousand only) per year 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.

The Board of Directors recommend the ordinary resolution as set out at item no. 4 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.

BLUE STAR LIMITED

Kasturi Buildings

Mohan T Advani Chowk
Jamshedji Tata Road
Mumbai 400 020

Date : May 2, 2024

Place : Mumbai

By Order of the Board of Directors

Rajesh Parte

Company Secretary & Compliance Officer
Membership No. A10700

Annexure to the Notice of the 76th Annual General Meeting of the Company**Profile of Director seeking re-appointment at the 76th Annual General Meeting**

Name	Ms Sunaina Murthy
Age	50 years
Director Identification Number (DIN)	07865860
Date of first Appointment	01.04.2019
Brief Resume (including profile, qualification, experience and expertise in specific functional areas)	<p>Sunaina Murthy joined the Blue Star Board with effect from April 1, 2019. She holds a Bachelor's degree in Molecular Genetics from the University of Rochester, and a Master's degree in Biotechnology from Northwestern University. She began her career as a cancer researcher at the University of Pennsylvania, and then worked at a venture capital firm specialising in life sciences. Thereafter, she co-managed a USD 3 billion healthcare fund for AIM Capital Management, USA, where she made investments in publicly traded companies in the areas of biotechnology, medical devices, pharmaceuticals, hospitals and other healthcare services. Since moving back to India in 2006, she has and continues to consult for US and India based venture capital firms who invest in the life sciences and healthcare sectors, and for companies in the life sciences space. Her area of expertise are stated in Corporate Governance Report which forms part of the Annual Report for FY24.</p> <p>Sunaina has been a member of the Board of Blue Star Engineering & Electronics since 2022. She has also served on the Board of Trustees of the Blue Star Foundation for the past 12 years.</p>
Terms and conditions of re-appointment	Liable to retire by rotation
Remuneration last drawn (including sitting fees, if any)	<p>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.</p> <p>The details of remuneration paid to Sunaina Murthy for FY24 are stated in Corporate Governance Report which forms part of the Annual Report for FY24.</p>
Remuneration proposed to be paid	Sunaina Murthy 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 as on March 31, 2024	21,45,050 Equity shares of ₹ 2 each
Relationship with other Director/ Key Managerial Personnel of the Company	Sunaina Murthy is the sister of Vir S Advani, Chairman & Managing Director of the Company.
No. of Board Meetings attended during FY24	5/5
Directorships held in other companies	<ul style="list-style-type: none"> Blue Star Engineering & Electronics Limited
Membership / Chairmanship of Committees in other companies (including the Company)	<p>Blue Star Limited</p> <ul style="list-style-type: none"> Investor Grievance cum Stakeholders' Relationship Committee Corporate Social Responsibility and Environmental, Social and Governance Committee
Listed entities from which the person has resigned in the past three years	None

INFORMATION AT GLANCE:

Sr. No.	Particulars	Details
1.	Day, Date and Time of AGM	Tuesday, August 6, 2024 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 26, 2024 (5:00 pm IST).
6.	Dividend for FY24 recommended by the Board	Final dividend of ₹ 7 per equity share of ₹ 2 each
7.	Record Date	Friday, July 19, 2024
8.	Dividend Payment Date	On or after August 6, 2024
9.	Cut-off date for e-voting	Tuesday, July 30, 2024
10.	Remote e-voting start time and date	Friday, August 2, 2024 (9:00 a.m. IST)
11.	Remote e-voting end time and date	Monday, August 5, 2024 (5:00 p.m. IST)
12.	Remote e-voting website of NSDL	<p>Shares held in Demat mode with NSDL:</p> <p>1. Shareholders registered for NSDL IDeAS facility: https://eservices.nsdl.com</p> <p>2. Others: www.evoting.nsdl.com</p> <p>Shares held in Demat mode with CDSL:</p> <p>1. Shareholders who have opted for Easi facility of CDSL: https://web.cdslindia.com/myeasitoken/home/login</p> <p>2. Others: www.cdslindia.com</p> <p>Logging in through Depository Participants:</p> <p>Members can also login using the login credentials of their demat account through your DP registered with NSDL /CDSL for e-voting facility.</p>
13.	Name, address and contact details of e-voting service provider and registrar and transfer agent	<p>Registrar and Transfer Agent</p> <p>Link Intime India Pvt. Ltd. C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083. Tel No. +91 22 49186000 Email: rnt.helpdesk@linkintime.co.in</p> <p>E-voting Service Provider</p> <p>National Securities Depositories Limited (NSDL) Trade World, A Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 Tel No: 022 4886 7000 Email: evoting@nsdl.com</p>
14.	Email Registration and Contact Updation Process	<p>Demat Shareholders:</p> <p>Contact respective Depository Participant</p> <p>Physical Shareholders:</p> <p>Please furnish Form ISR-1, Form ISR-2 and SH-13 (available on the Company's website at https://www.bluestarindia.com/investors/shareholder-information along with the necessary attachments mentioned in the said Forms to Link Intime India Pvt. Ltd. C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083. Members may also email the duly filled forms to rnt.helpdesk@linkintime.co.in.</p>



BLUE STAR



— BLUE STAR LIMITED —
ANNUAL REPORT
— 2023-24 —

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,' 'plans,' 'outlook,' 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 that may be incapable of being realised, and as such, 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 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.

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BOARD OF DIRECTORS

Shailesh Haribhakti
Chairman (up to March 31, 2024)

Vir S Advani
Chairman & Managing Director (with effect from April 1, 2024)

B Thiagarajan
Managing Director

Non-Executive Directors

Rajiv R Lulla

Sunaina Murthy

Dinesh N Vaswani

Independent Directors

Sam Balsara

Anil Harish

G Murlidhar *(with effect from January 30, 2024)*

Anita Ramachandran

Arvind K Singhal

Vipin Sondhi *(with effect from January 30, 2024)*

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 (Q.P.S.C.)

Yes Bank Ltd

AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants

INTERNAL AUDITORS

Grant Thornton Bharat LLP

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt Ltd
C-101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai 400 083.
Tel: +91 22 4918 6000
Fax: +91 22 4918 6060
www.linkintime.co.in

CORPORATE MANAGEMENT

Vir S Advani

Chairman & Managing Director

B Thiagarajan

Managing Director

Shashi Arora

*President & Chief Operating Officer,
Cooling & Purification Appliances Group (up to April 30, 2024)*

P Venkat Rao

*President & Chief Operating Officer,
Electro-Mechanical Projects & Air Conditioning Solutions Group*

Nikhil Sohoni

Group Chief Financial Officer

V S Ashok

Chief Human Resources Officer

C Haridas

*Executive Vice President,
Sales & Marketing and Customer Service,
Cooling & Purification Appliances Group*

Wilson Jebaraj

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

Michael Angre

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

Deepak Baid

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

Ravi Hegde

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

Girish Hingorani

*Vice President,
Marketing (Cooling & Purification Appliances) &
Corporate Communications*

Suresh Iyer

Chief Information Officer

Vikas Jain

*Vice President,
Corporate Commercial Operations*

Sheetal M Kulkarni

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

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)*

M Srinivas Reddy

*Vice President,
Commercial Refrigeration Business*

Nithianand S

*Vice President,
Procurement & Supply Chain,
Cooling & Purification Appliances Group*

Senthil Thangam

*Vice President,
Commercial Air Conditioning Business*

SUBSIDIARY COMPANIES

Blue Star Engineering & Electronics Limited

Prem Kalliath

Chief Executive Officer

Devashish Banerjee

*Chief Operating Officer, Industrial Solutions
(up to March 29, 2024)*

Rajesh Sahu

*Chief Operating Officer, Industrial Solutions
(with effect from November 1, 2023)*

Bijal Shah

Chief Operating Officer, MedTech Solutions

S Suresh

Chief Business Officer, Data Security Solutions

Yogesh Joshi

Chief Financial Officer and Company Secretary

Blue Star Climatech Limited

Devidas Kasbekar

Chief Executive Officer

Sivakumar Ramani

Chief Financial Officer

Blue Star International FZCO

Mohamed Abbas Miraj

Chief Operating 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)

LETTER FROM THE CHAIRMAN & MANAGING DIRECTOR



Throughout the past eight decades, the market environment and competitive landscape have evolved, as have the people managing the Company. However, what has remained intact is the focus on customer satisfaction, high standards of governance, professional management, meritocracy, employee pride, strong partnerships with business associates, transparency, pursuit for excellence and shareholder value creation.



VIR S ADVANI
Chairman &
Managing Director



Dear Stakeholders,

It gives me immense pleasure to write to you for the first time as the Chairman & Managing Director of Blue Star Limited.

The year under review was a milestone for the Company as it marked the completion of our 80 years of existence on September 27, 2023. Born during World War II, Blue Star's ability to survive and prosper through these eight decades are a testament to our customer focus and the trust we have earned as a dependable brand, our agility and ability to adapt to changing circumstances, and our deep technical expertise in cooling. The occasion marks our entry into an elite league of Indian companies that have achieved this milestone.

Throughout the past eight decades, the market environment and competitive landscape have evolved, as have the people managing the Company. However, what has remained intact is the focus on customer satisfaction, high standards of governance, professional management, meritocracy, employee pride, strong partnerships with business associates, transparency, pursuit for excellence and shareholder value creation.

Today, Blue Star, is a market leader in all its chosen fields of business. We are a ₹ 10,000 crores enterprise, a preferred employer, the brand of choice for customers, and a stock that resonates with investors. Our 5,000 delivery partners reach customers in over 900 Indian towns, and more than 20 countries from North America to East Asia. We provide a livelihood to 40,000 people directly and indirectly every day. We are ahead of the curve in meeting sustainability regulations, be it energy labelling, ozone depletion, global warming or e-waste.

We are recognised as a technology company investing for the future and at the same time appreciated by investors for setting the industry benchmarks for ROCE and ROE. It is for all these reasons that our market capitalisation has grown five times in roughly five years, from around ₹ 6,700 crores on April 1, 2019, to over ₹ 30,000 crores today. I cannot thank our investors enough for placing their trust in the Company.

FY24 Results

The Company ended FY24 on a high note with revenue growth of 21.4% to ₹ 9,685.36 crores, while Operating profit grew a significant 34.9% to ₹ 664.94 crores. Profit Before Tax before exceptional items grew 44.9% to ₹ 557.16 crores. Our carried forward order book as of March 31, 2024, reached a record ₹ 5,697.34 crores. In an all-round performance, all businesses performed well gaining market share and the Company improved operating margin by 70 bps (6.9% in FY24 vs 6.2% in FY23).

Capital Employed as of March 31, 2024, stood at ₹ 2,156.70 crores as compared to ₹ 1,542.25 crores as of March 31, 2023, primarily

owing to capital investments. In September 2023, we successfully completed a fund raise of ₹ 1,000 crores through a maiden QIP issuance, which witnessed a strong response from existing and new marquee foreign portfolio investors, sovereign wealth funds, and top domestic institutional investors. In June 2023, we issued bonus shares in the ratio of 1:1, i.e., one bonus equity share of ₹ 2/- each for every fully paid-up equity share of ₹ 2/- each. On the back of strong operating cash flows, coupled with QIP inflows, the Company reported a net cash position of ₹ 455.93 crores as of March 31, 2024, as compared to a net borrowing of ₹ 208.41 crores (debt-equity ratio of 0.16 on a net basis) as of March 31, 2023. Given our record revenue and profits earned, a dividend of ₹ 7 per share is recommended by the Board of Directors of the Company.

Business Highlights for FY24

With strong demand from the manufacturing, data centre, and infrastructure segments, the Electro-Mechanical Projects business continues to perform well, demonstrating improved margins and a healthy order book. While demand from the commercial buildings and real estate sectors are yet to gain momentum, our focus remains on prudent project management and maintaining healthy cash flows.

Throughout the year, we secured several major orders from factories, data centres, and infrastructure projects. As of March 31, 2024, the business carried forward an order book valued at ₹ 4,343.83 crores, reflecting a year-on-year growth of 11.6%.

Revenue growth in the Commercial Air Conditioners business was primarily driven by our diverse product portfolio and channel expansion. There was increased demand from the industrial, healthcare, hospitality, retail and educational institutions sectors. The launch of VRF Lite has enabled the Company to effectively target the premium residential segment, while the newly introduced centrifugal chiller gives us an entry into very large commercial and industrial buildings. We continue to maintain our leadership position in conventional and inverter ducted air conditioning systems as well as scroll chillers. Additionally, we hold a strong second position in the VRF and screw chiller segments.

Due to global disturbances, the International business, which is at a nascent stage, saw subdued performance in the Middle East and Africa. We are focusing on product exports and investing in R&D to expand our product portfolio for these markets. In addition, our subsidiaries in the United States and Europe are in the process of developing and launching new energy-efficient and eco-friendly products for heating and cooling, and we expect the business to gain traction in the coming years.

With regards to the Room ACs business, the momentum gained during the festive season in Q3FY24 was bolstered by a stellar performance in Q4FY24. The exceptionally strong demand in the southern region and product diversification especially with a range of affordable Room ACs helped us surpass the milestone of 1 million units. Our market share during the year improved and is estimated to be at 13.75% compared to 13.50% in FY23. The launch of new flagship split air conditioner models like 'Heavy-Duty ACs' and 'Super Energy-Efficient ACs', contributed to substantial revenue growth.

The Commercial Refrigeration business witnessed excellent traction with strong demand witnessed from ice cream OEMs, QSR chains, the HoReCa segment, food retail and healthcare. Increase in outside-the-home consumption remains one of the major drivers of business growth, especially in the perishable food sector. Blue Star became the first Indian company to receive an India Design Mark for its 300-600 litres deep freezers and also obtained BIS Certification for the full range. We maintained market leadership in deep freezers, storage water coolers and modular cold rooms.

As one of the largest HVAC&R after-sales service providers in the country, Blue Star is dedicated to delivering a world-class customer experience. Recognising the critical importance of after-sales service, the Company ensures seamless customer interactions with guaranteed response times and top-quality service. Blue Star's extensive service network operates 24x7, supported by its 'Gold Standard Service Delivery' promise. This network extends beyond Tier 1 cities to include Tier 2, 3, 4, 5, and 6 cities, serving over 900 towns.

In the Professional Electronics and Industrial Systems business, the market for non-destructive testing solutions has grown due to Make-in-India-related capacity expansion as well as the introduction of higher quality standards and specifications in various industries. The healthcare business is benefitting from the expansion of the country's semi-rural healthcare infrastructure. However, the data security business continues to face challenges as customers move from on-premises IT infrastructure to cloud-based solutions.

The Company continues to make significant investments in R&D. During FY24, the company invested ₹ 143 crores which includes capital expenditure of ₹ 94 crores on contemporary design and test facilities. A new innovation centre was established at Bhiwandi near Mumbai for design and development of heat pumps and VRF. We now have four state-of-the-art R&D centres at Thane, Wada, Dadra, and Bhiwandi. During the year, 6 patents were awarded out of 46 patent applications and 46 design registrations across the Company.

Blue Star continued to invest in its manufacturing capabilities to facilitate future growth. The Company has seven state-of-the-art manufacturing facilities spread across the country. Blue Star's new plant at Wada and Blue Star Climatech Limited's Sri City Plant were the two facilities commissioned in FY23. The new plants quickly ramped up to cater to the growth requirements in FY24. The Sri City Plant manufactured over 300,000 ACs in FY24 and is on track to double this production in the current fiscal year. Moreover, it received the prestigious IGBC Gold certificate during the same period. Continuously enhancing operational efficiency is at the core of Blue Star's 'Manufacturing Excellence Programme', which focuses on lean manufacturing, technological advancements, quality enhancements and fostering a supportive work culture. The Company's commitment to excellence extends to supplier relationships, streamlined logistics, adoption of Industry 4.0 practices, and developing modern skill sets in its workforce.

Blue Star maintains a robust supply chain management system, emphasising customer satisfaction and profitability. The Company employs Total Cost Management (TCM) techniques to reduce costs while maintaining high quality. Through value-sourcing partnerships, Blue Star develops flagship products with suppliers offering quality materials at competitive prices. The Company rigorously tracks supply chain costs and utilises industry benchmarking and 'should cost' methods to ensure competitiveness and strong supplier relationships.

We continue to implement the findings of the 'Great Place to Work' survey to maintain our position as the best employer in the industry. Our investments in leadership development and functional training include building a pipeline of young leaders. We are also making noteworthy progress in improving gender diversity and aim to increase female representation in middle and senior management positions. Furthermore, we are intensifying our investments in technical skill development across our network of dealers and business associates.

The Company's brand and its value proposition, 'Built on Trust', continue to resonate strongly with both consumers and B2B customers. Having Virat Kohli as the brand ambassador for our room air conditioners has significantly boosted our presence in Hindi-speaking markets and Tier 3, 4, and 5 towns, particularly amongst young consumers. Our TV commercials, along with digital and outdoor creatives, are tailored and simplified to appeal to a wider audience, including the aspirational middle class.

We are committed to harnessing the potential of digital technologies through targeted investments in data analytics, artificial intelligence, and machine learning. We made progress on this front during the year and initiated projects aimed at (a) accelerated revenue growth (b) cycle time reduction in the introduction of new products and services (c) enhanced customer

experience (d) improved operational efficiency and profitability (e) stringent internal financial control and governance.

The Journey Ahead

As we march toward our centennial milestone, there are several strategic areas that we need to focus on in order to make Blue Star future-ready. I would like to elaborate on some of these areas that will anchor our path ahead.

Scale

The Indian HVAC&R industry is poised for exponential growth driven by the low penetration of Room ACs and the burgeoning middle-class consumers with high disposable incomes, especially from Tier 3, 4 and 5 markets. The overall AC industry (both residential and commercial), currently valued at around ₹ 27,500 crores, is likely to double in the next four years. Our strong consumer insights of the domestic market coupled with our cooling expertise, network of channel partners in over 900 towns, strong brand equity and domain knowledge across applications will place us in good stead to leverage the opportunities that the scale will bring in. This will necessitate substantial investments in sales and distribution, R&D, manufacturing, supply chain and digitalisation.

Sustainability

As a leader in the areas of energy-efficiency, sustainability, and eco-friendliness, our R&D and product development teams are focused on customer-centric designs and environmentally friendly sustainable products. Blue Star is a founding member of the Indian Green Building Council (IGBC) and plays an active role in the 'Green Building Movement'. Our factories and offices are built to be 'green' in their design, processes, and operations. Three of the Company's establishments are green-certified buildings and certification of another four are under progress. India is the first country to have announced a comprehensive action plan, entitled 'India Cooling Action Plan' (I-CAP) and it is likely that the action plan forming part of I-CAP will be accelerated. We are preparing for the same with respect to the high energy efficiency norms that the Bureau of Energy Efficiency (BEE) is likely to introduce, the adoption of low global warming potential refrigerants, and stringent Extended Producer Responsibility (EPR) obligations under E-waste rules.

Speed

In a fast-growing environment, the ability to plan, anticipate, and execute with speed will be a critical success factor. We are likely to face challenges arising out of macroeconomics, geopolitics and the global trade environment. Further, customer expectations and profiles are changing every year, and this adds a new dimension to the decision-making process. Therefore, it becomes imperative to constantly review organisational strategies and underlying

assumptions. We will endeavour to accelerate and ensure that we cut short the learning curve. We have rolled out a 3-year strategic plan with a clear focus on strengthening the Company's core capabilities, responding to competitive forces, acquiring new capabilities, building new processes, and adapting innovative technologies. It also specifies details of investments to support these growth plans.

Conclusion

I am gratified that our 80th anniversary year was a landmark year with all businesses and support functions contributing significantly and delivering an outstanding performance.

In FY25, the Company will maintain its focus on growing faster than the market, improving margins, prudent cash management, and investing in building capabilities and talent for the future. With a strong summer season and the introduction of a slew of new products, we are optimistic about our business prospects for the fiscal year and beyond.

I extend my heartfelt gratitude to our resolute employees, valued customers, and esteemed shareholders for their unwavering support and trust. The achievements of this year are a testament to our stakeholders' collective efforts and steadfast commitment to excellence. As we move forward, we remain focused on scaling new heights, innovating smart solutions, embracing sustainable practices, and operating with agility. Together, we will continue to build a stronger and more resilient Blue Star Limited.

Yours sincerely,

Vir S Advani

BOARD OF DIRECTORS



CHAIRMEN EMERITI



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. His professional career with Blue Star spanned more than 47 years, including 33 years as Chairman. During this period, revenues multiplied more than 400 times and the Company established itself as a leader in the Air Conditioning and Commercial Refrigeration industry in India. He retired from the Board in November 2016. In recognition of his long and distinguished leadership at Blue Star, he was appointed Chairman Emeritus and is an invitee at Board Meetings. He continues his association with the Company as an advisor to 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. He spent his entire working career at Blue Star, starting as a management trainee in 1969 and moving up steadily to become President and Vice Chairman in 1984. He retired from his executive position in 2014, and was designated Vice Chairman of the Board. He was elevated to Chairman of the Board from December 2016. After spending 50 years in the Company, including 36 years on its Board, he retired as Chairman of the Board on March 31, 2019. In recognition of his long and exemplary leadership at Blue Star, he was appointed Chairman Emeritus. He continues his association with the Company as an advisor to the Board and the Executive Management.

Mr Advani established Blue Star's presence in computer software development and export, and when this division was spun off to become Blue Star Infotech Ltd in 2000, he assumed the position of Chairman there and later, Managing Director as well, in addition to his responsibilities in the Company. In the span of his career, Mr Advani formed many joint ventures with global majors such as HP, Motorola and Stork-Comprimo in the hi-tech area with Indian entities in the air conditioning ancillaries field. For Blue Star and Blue Star Infotech, he conceived and completed several corporate acquisitions. Over the years, he served on the managing councils of several industry and trade bodies, such as CII, and is the founder and a Past President of the Refrigeration and Air Conditioning Manufacturers' Association (RAMA).

BOARD OF DIRECTORS



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 a comprehensive Executive Management Programme at Harvard Business School. Mr Advani, after a two-year working stint in private equity in New York, joined Blue Star Infotech Ltd in 2000 and then founded Blue Star Design and Engineering Ltd in 2003, serving as its Chief Executive Officer.

In 2007, he moved to Blue Star as Vice President of Corporate Affairs and later became 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 redesignated as Vice Chairman & Managing Director. In April 2024, he assumed the position of Chairman & Managing Director at Blue Star.

In his enhanced role, Mr Advani is the primary interface between the Board and the Executive Management, and directly oversees the Professional Electronics & Industrial Systems business, International Operations, Corporate Finance, Corporate Human Resources, Information Technology and Corporate Planning.

He is active in the Confederation of Indian Industry (CII), where he is an elected member of the CII National Council and is the Chairman of the Trade Policy Council.



B THIAGARAJAN
Managing Director

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

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

Mr Thiagarajan plays an active role in various industry forums and is the Past President of Refrigeration and Air Conditioning Manufacturers Association (RAMA) and the Past Chairman of CII Western Region and CII Maharashtra State.

He is currently a member of the CII National Council and chairs the CII National Committee on Consumer Electronics and Durables. He is also the National Chairman of the Indian Green Building Council and Chairman of CII Green Cooling Council.



SAM BALSARA
Independent Director

Sam Balsara holds a Bachelor's degree in Commerce and a Post Graduate Diploma from Jamnalal Bajaj Institute of Management Studies. He is Chairman of Madison World, which is amongst India's largest media and communication agencies and has more than 50 years of extensive experience in marketing, advertising and media. Mr Balsara started his career at Sarabhai's in 1972, with stints thereafter at Cadbury India Ltd, Contract Advertising Company (WPP), and Mudra Communications, before founding Madison in 1988. Madison Media is ranked by RECMA as the '4th Largest Independent Media Agency' of the world by billings.

Mr Balsara has won many accolades, such as 'The Most Influential Person in Media' by Economic Times-Brand Equity for 10 consecutive years; IAA Leadership Award for 'Media Agency Professional of the Year' in 2013; 'Lifetime Achievement Award' in 2009 from the Advertising Agencies Association of India; and has been a jury member at the International Festival of Advertising in Cannes in 2005 as well as 2014, to name a few. He has held prestigious positions in several associations, such as President of AAAI, of which he continues to be an Executive Committee member; and Chairman of The Advertising Standards Council of India, 2000-2001, and presently its Advisor, amongst others. He joined the Blue Star Board in June 2017.



ANIL HARISH
Independent Director

Anil Harish is a partner at the law firm, D M Harish & Co, and his practice includes many diverse areas of law, including Property, Exchange Control, Foreign Investments, Trusts, Wills, and Indian as well as International Taxation. He has been on the Managing Committee of Indian Merchants Chamber, Chamber of Tax Consultants, and ITAT Bar Association. He has also been an office bearer of several institutions in the legal field, such as the Society of Indian Law Firms, of which he was the Vice President. Mr Harish has been ranked by the prestigious legal directory of Chambers & Partners as a leading tax lawyer. He has authored several articles, which have been published in leading newspapers and professional journals.

He is also a director of other reputed companies, including Hinduja Global Solutions Limited and NDL Ventures Limited. He is also involved with several educational and charitable trusts and is a Trustee of the Hyderabad (Sind) National Collegiate Board. He joined the Board of Blue Star in November 2017.



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, a technology-enabled financial services firm.

Mr Lulla has over 25 years of experience, primarily as an investment banker specialised in merger advisory and corporate finance and has completed transactions representing a combined value more than USD 220 billion across multiple industry sectors, including industrial, infrastructure, transport and telecom. He has held senior global leadership roles at Merrill Lynch, the Credit Agricole Group, and Deutsche Bank, in New York, London, Paris and Hong Kong. He joined the Board of Blue Star in December 2016.



G MURLIDHAR
Independent Director

G Murlidhar is a Chartered Accountant, Cost & Management Accountant and Company Secretary and has completed AMP from Harvard Business School, USA. He is a finance professional with wide experience in a variety of industries, including insurance, financial services, engineering, pharma and manufacturing. He is a Non-Executive Director of Kotak Mahindra Life Insurance Company Ltd and Kotak Mahindra General Insurance Company Ltd.

Mr Murlidhar joined Kotak Life Insurance as a founding member in 2001, and has held several leadership positions, including CFO and COO. He was the Managing Director and CEO of the Company from 2011 until his superannuation in 2021 and was instrumental in establishing a strong financial and operational backbone for the Company, in addition to developing a diversified and balanced distribution network.

He has been the recipient of various prestigious awards, including 'CA Business Leader – Insurance' from the Institute of Chartered Accountants of India, and 'Insurance CEO of the Year' from FICCI. As a prominent leader of the insurance industry, he was the Co-chairman of Insurance Committee of FICCI, a member of the Executive Committee of Life Insurance Council, and a Member of Insurance Advisory Committee (IAC) of IRDAI. He 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. She began her career as a cancer researcher at the University of Pennsylvania, and then worked at a venture capital firm specialising in life sciences. Thereafter, she co-managed a USD 3 billion healthcare fund for AIM Capital Management, USA, where she made investments in publicly traded companies in the areas of biotechnology, medical devices, pharmaceuticals, hospitals and other healthcare services. Since moving back to India in 2006, she has and continues to consult for US and India-based venture capital firms that invest in the life sciences and healthcare sectors and for companies in the life sciences space.

Sunaina has been a member of the Board of Blue Star Engineering & Electronics since 2023. She has also served on the Board of Trustees of the Blue Star Foundation for the past 12 years. She joined the Blue Star Board in April 2019.



ANITA RAMACHANDRAN
Independent Director

Anita Ramachandran has done her Master's in Business Administration (MBA) from Jamnalal Bajaj Institute of Management Studies, Mumbai. She is a well-known HR expert in the country with over 40 years of experience as a management consultant and has received several academic honours.

Commencing her career in the Management Consultancy division of AF Ferguson & Co in Mumbai in 1976 as the first woman consultant in the firm, Ms Ramachandran worked across a wide range of areas such as industrial market research, strategy, and human resources, amongst others, in various parts of the country and grew to become a director of the firm. After a successful stint of 19 years with the firm, she founded Cerebrus Consultants to focus on HR advisory services, including organisation transformation. Cerebrus has worked with over 800 companies in South Asia on a wide variety of HR projects.

Ms Ramachandran is known as an authority in rewards management, apart from being a strategic advisor to many family groups and a mentor to several PE firms and start-ups. She has been an Independent Director on the Boards of several companies and is currently on the Board of Grasim, Metropolis Healthcare, Happiest Minds, and FSN E-commerce, amongst others. She also supports many organisations in the social sector and is deeply committed to working with women. She has been, in the past, Chairperson of TIE Women, and on the Executive Committee of TIE Mumbai, as well as was on the Advertising Standards Council of India. She joined the Blue Star Board in June 2022.



ARVIND K SINGHAL

Independent Director

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

He is also an Independent Director of Metro Brands Limited and is on the Advisory Board of the Dubai-headquartered Apparel Group and the Delhi-based Pahle India Foundation (PIF). He joined the Blue Star Board in February 2019.



VIPIN SONDHI

Independent Director

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

He currently holds several advisory roles, such as 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 National Forum on Industry - Academia Partnership, and Member and Governing Board of I-Hub for Autonomous Systems Innovation Foundation, IISc, Bangalore. In addition, he has been the past Vice President of Society of India Automobile Manufacturers (SIAM) and is on the Board of several not-for-profit organisations such as Bharatiya Yuva Shakti Trust, Ananta Centre and Sasakawa India Leprosy Foundation. He joined the Board of Blue Star in January 2024.



DINESH N VASWANI

Non-Executive Director

Dinesh N Vaswani holds an MBA from the Wharton School of Business and a BBA cum laude from the University of Texas at Austin. He is the Founder and Managing Director of Acuitas Capital Advisors Pvt Ltd, 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 Pvt Ltd, established Bessemer Venture Partners' operations in India, and was the CEO of Blue Star Infotech, USA. He has served on several Boards of public and private companies, including Firstsource, Mindtree, Venture Infotech, and Borosil. He joined the Board of Blue Star in December 2016.



COMPANY OVERVIEW

80 YEARS OF ILLUSTRIOUS JOURNEY

Since its inception in 1943, Blue Star has evolved into a distinguished leader in the Air Conditioning and Commercial Refrigeration industry, boasting an illustrious legacy spanning eight decades. Additionally, the Company holds a prominent position in the Mechanical, Electrical, Plumbing, and Fire-fighting (MEP) sector. Blue Star's philosophy is rooted in the principles of 'Trust' and 'Excellence', serving as the guiding force behind its remarkable journey of growth. Renowned for its customer-centric ethos, Blue Star is recognised for delivering innovative, value-driven products and solutions that resonate strongly in the market. Fuelled by its inherent agility and resilience, the Company continually reinvents itself to meet the evolving needs of its customers. Blue Star has garnered the enduring trust of successive generations of Indians who have come to rely on its HVAC&R products and services, with almost one in every three Indian businesses proudly featuring a Blue Star installation.

With 80 years of dedication and innovation, Blue Star's commitment continues to redefine excellence in cooling, purification, and preservation that transcends beyond products and services.

Recognised for their superior quality, reliability, and durability, Blue Star's air conditioning and commercial refrigeration products, coupled with their unparalleled after-sales service, ensure enduring customer satisfaction.

Under the stewardship of exemplary leadership, Blue Star remains unwavering in its commitment to advancing its storied legacy, driving consistent growth, and reaching new milestones.



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



Inside view of the factory assembly line at Blue Star's Wada Plant

Cooling and Purification Expertise

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

Project Management Leadership

Blue Star is also a prominent MEP service provider, with its Electro-Mechanical Projects Group servicing numerous landmarks. The Company's MEP services are strengthened by its refined project management capabilities, developed over time through handling large HVAC&R projects. Today, Blue Star is renowned for its exceptional project delivery, consistently completing projects ahead of schedule.

Integrated Business Model

As a manufacturer, engineering, procurement, and construction (EPC) services provider, as well as an after-sales service provider, Blue Star offers an integrated business model. This model enables the Company to provide end-to-end solutions to its customers across building, industrial, and infrastructure segments. It also facilitates agile delivery of these offerings.

After-sales Service Excellence

Blue Star holds the distinction of being one of India's largest after-sales service provider in the HVAC&R space, offering an extensive array of world-class customer service solutions. These 'Gold Standard' service offerings are delivered to customers through both Blue Star's own infrastructure and an expansive network of service partners nationwide. Presently, Blue Star oversees maintenance for over two million tons of HVAC&R equipment. In addition to routine servicing, the Company provides value-added support through solutions including revamp, retrofit, duct-cleaning, and operational assistance. Leveraging cutting-edge technology such as remote monitoring, mobile applications, and interactive web portals, Blue Star ensures swift and efficient service delivery to customers regardless of their location.

Proximity to Customers

Blue Star has a wide network of channel partners across the length and breadth of India, allowing the Company to be geographically close to all its customers, wherever they may be.

Manufacturing Excellence and Ingenuity

The Company continues to invest judiciously in strengthening its manufacturing capabilities and leverages innovation, technology, and automation including robotics, across its factories.

Blue Star, along with its subsidiaries, has seven world-class manufacturing facilities across India today – one each in Ahmedabad and Dadra; two each in Wada, and Himachal Pradesh; and the latest one in Sri City set up by its wholly-owned subsidiary, Blue Star Climatech Limited. The two new plants, one each in Sri City and Wada, have been added to augment Blue Star's manufacturing scale to gear up for the next phase of growth.

Global Footprint

With a formidable global presence, Blue Star exports HVAC&R products and solutions to over 20 countries across the Middle East, Africa, SAARC, and ASEAN regions. Its products consistently endure the rigours of some of the world's most challenging and extreme climatic conditions. Through strategic joint ventures in Qatar and Malaysia, Blue Star also spearheads MEP projects across residential, commercial, and infrastructure sectors in those markets. Garnering acclaim worldwide, Blue Star's international endeavours extend the Company's brand far beyond India, unlocking significant growth prospects on the global stage. Blue Star has established wholly-owned subsidiaries in the USA, Europe, and Japan, fortifying its commitment to enhancing its global footprint.

Other Businesses

Blue Star's other businesses include the marketing, solution design and maintenance of imported professional electronic equipment and services as well as industrial products and systems, under the aegis of Blue Star Engineering & Electronics Limited (Blue Star E&E), a wholly-owned subsidiary of the Company. Besides, Blue Star E&E also provides medical diagnostic equipment refurbishment solutions. Today, Blue Star E&E is a leading provider of advanced technology products as well as turnkey engineering solutions that cater to several industries across the country.



BLUE STAR

VISION

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



BUSINESS SEGMENTS

DIVERSIFIED BUSINESS SEGMENTS

Electro-Mechanical Projects and Commercial Air Conditioning Systems

This business segment encompasses the design, manufacturing, installation, commissioning, and maintenance of central air conditioning plants, packaged/ducted systems, and variable refrigerant flow (VRF) systems. Additionally, it includes contracting services in mechanical works, electrification, plumbing, and fire-fighting. Value-added after-sales services such as revamp, retrofit, upgrades, and operational support are also provided to ensure the efficient functioning of electro-mechanical utilities.

Unitary Products

This business segment focuses on a wide range of contemporary and highly energy-efficient room air conditioners for both residential as well as commercial applications. It also manufactures and markets a comprehensive range of commercial refrigeration products and cold chain equipment.

The unitary products range also encompasses water purifiers, air purifiers, and air coolers.





MEP works done by Blue Star at Tata Electronics, Hosur, Tamil Nadu

Professional Electronics and Industrial Systems

For over seven decades, Blue Star has served as the exclusive distributor in India for numerous internationally renowned manufacturers of professional electronic equipment and industrial products, and systems. This business segment is overseen by Blue Star Engineering & Electronics Limited, the Company's wholly-owned subsidiary. Additionally, this subsidiary operates a Medical Diagnostic Equipment Refurbishment Facility in Bhiwandi, Maharashtra, dedicated to refurbishing a diverse range of pre-owned medical diagnostic imaging systems. Furthermore, Blue Star has established two customer experience centres: one in Thane for its non-destructive testing solutions and another in Chennai for material testing and metrology solutions.

Blue Star aims to elevate the everyday life experiences of people and enrich communities worldwide with its diversified portfolio of products and services.



INDUSTRY STRUCTURES & SEGMENTS

AIR CONDITIONING

The Room Air Conditioners industry witnessed a tepid summer in 2023, especially in the North, where the weather was very pleasant and was frequented by unseasonal rains. Owing to this, the industry was flat in Q1FY24 as compared to the same period in the previous year. However, the industry grew well in the remaining quarters, and on a year-on-year basis eventually grew 20% owing to enhanced demand from first-time buyers and Tier 3, 4 and 5 markets. As a result, the overall market size grew to ₹ 27,500 crores in FY24, of which the market for central air conditioning, including central plants, packaged and ducted systems, and VRF systems was around ₹ 4,500 crores, while the market for room air conditioners comprised the balance ₹ 23,000 crores. Blue Star performed better than the industry, thereby improving its market share to 13.75% in value terms.

The Company, having strategically repositioned itself in 2020 as a mass premium brand, has since been augmenting and leveraging its manufacturing, R&D, and innovation capabilities to roll out

new, differentiated, and best-in-class ranges of affordable split ACs. These are targeted at price-sensitive consumers and first-time buyers, particularly in Tier 2, 3, 4, and 5 markets. Additionally, Blue Star has implemented a Total Cost Management (TCM) programme to maximise efficiency across the entire cost-value chain and achieve cost leadership.

During the year, the Central Air Conditioning business witnessed enhanced demand from various sectors, including industrial, healthcare, hospitality, retail, educational institutions, and data centres. The revenue growth of the Company was primarily fuelled by the expansion of its product portfolio and distribution channels. The introduction of VRF Lite has allowed the Company to cater to the premium residential market. Additionally, the traction for the newly launched centrifugal chiller remained robust. Blue Star has consistently maintained a leading position in conventional and inverter ducted air conditioning systems, as well as scroll chillers, and holds a strong second position in VRFs and screw chillers.



Blue Star's Manufacturing Plant of Commercial Refrigeration at Wada



Inside view of Sri City Plant

COMMERCIAL REFRIGERATION

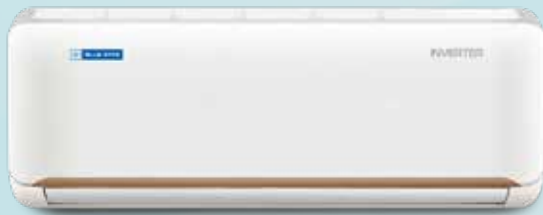
Blue Star has developed a comprehensive product portfolio that includes cold chain equipment and commercial refrigeration products, serving a wide range of industry segments. These segments include Agriculture, Banana Ripening, Dairy, Fast Food Chains, Healthcare, Horticulture, Hotels, Restaurants and Cafes (HoReCa), Ice cream, Meat Processing, Pharmaceutical, Processed Foods, Quick Service Restaurants (QSRs), Retail Outlets, and Seafood.

Blue Star's extensive range of commercial refrigeration products and solutions includes bottle coolers, bottled water dispensers, deep freezers, modular cold rooms, storage water coolers, and visi coolers. For commercial kitchens, the product line includes back bar chillers, blast coolers and freezers, reach-in coolers/freezers, saladettes, and under counters. In the medical field, Blue Star

provides blood bank refrigerators, ice lined refrigerators (+2°C to +8°C), medical freezers (down to -20°C), pharma refrigerators (+2°C to +8°C), ultra-low temperature freezers (-86°C), vaccine transporters (+8°C to -20°C), and mortuary chambers. For supermarkets, the offerings include island coolers/freezers, multideck chillers, and upright freezers.

Recently, Blue Star announced the launch of a comprehensive new range of energy-efficient and eco-friendly deep freezers varying in capacities right from 60 to 600 litres to cater to a wide set of customer segments for diverse applications. With an extensive range of storage capacities, the Company is able to cater to a wide customer segment for applications right from dairy and ice cream, frozen food, restaurants, convenience stores, hospitality and supermarkets, amongst others.

WIDE RANGE OF PRODUCTS



Inverter Split AC



Window AC



Portable AC



Air Cooler



Air Purifier

VRF System

Indoor units



One-way Cassette



Hi-wall



Ductable



Four-way Cassette



Concealed Split

Outdoor units



Side Discharge



Top Discharge



VRF Lite

Ducted ACs and Packaged Systems



Air Cooled Ducted Split Indoor Unit



Air Cooled Ducted Split Outdoor Unit



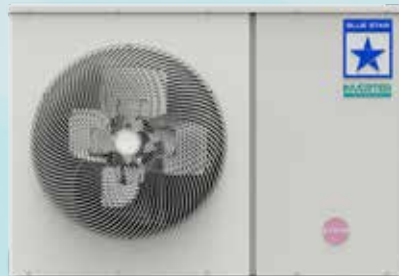
Water Cooled Mini Series Indoor Unit



Floor Mounted Packaged Indoor Unit



Water Cooled Mini Series Outdoor Unit



Inverter Packaged Outdoor Unit



Centrifugal Chiller



Brine Chiller



Water Cooled Inverter Scroll Chiller



Data Centre Chiller



Storage Water Cooler



Bottom Loading Water Dispenser



Pastry Cabinet



Ice Lined Refrigerator



Chocolate Cooler



Medical Freezer



Mini Bar



Four Door Reach-in Chiller



Tropical Cooler



Deep Freezer



Cold Room

PRESTIGIOUS INSTALLATIONS



VRF system installed at STT, Pune



Railway Electrification - Traction Sub Station at Lakheri, Rajasthan



MEP works for Breach Candy Hospital, Mumbai



VRF system supplied at Shifa Hospital, Phase 2&3 in Tanzania



Supply of VRF system at Ixora Villas at Al Barari, UAE



Railway Electrification - Traction Sub Station at Sawai Madhopur, Rajasthan



MEP works for Kilambakkam Bus Terminus, Chennai



MEP works for Phoenix H10 Building in Hyderabad



EXPANDING GLOBAL PRESENCE

Blue Star International FZCO, a wholly-owned subsidiary of Blue Star, headquartered in the Dubai Airport Free Zone, oversees the Company's international operations across the Middle East, Africa, SAARC, and ASEAN regions, including joint ventures focused on HVAC&R and MEP projects for residential, commercial, and industrial sectors. It spearheads the export of air conditioning and commercial refrigeration products, as well as Original Equipment Manufacturing (OEM).

Presently, Blue Star exports its products to 23 countries within the Middle East, Africa, SAARC, and ASEAN regions, primarily through Blue Star International FZCO. With a dedicated focus on global markets, the Company continues to leverage opportunities worldwide. The upsurge in construction activities, alongside the burgeoning hospitality sector and challenging ambient weather conditions in regions such as the Middle East, Africa, SAARC, and ASEAN, present numerous avenues for the growth in HVAC&R segment. Bolstered by an expanded product portfolio and robust marketing strategies, the Blue Star brand is gaining traction in global markets.

Blue Star's global market share is on a consistent upward trajectory, aided by the reorganisation of the business into three verticals: Unitary, Applied, and Blue Star Systems and Solutions (BSSSL) since FY23, enhancing its focus on target markets.

Many markets like the UAE, Nigeria, Tanzania, Brunei, Bangladesh, and Nepal in FY24 witnessed a positive

response to the launch of an enhanced range of applied products. The VRF segment is posting growth across the Middle East, Africa, and SAARC countries within the confines of the villa community and residential projects. With sizable acceptance of applied products in the chillers business, there is a notable surge in inquiries for cold room products driven by rising food safety concerns. The Quick Service Restaurant segment witnessed new additions such as Popeyes, Nando's and Subway, alongside established names like Americana Group (KFC, Pizza Hut, Hardee's, and Domino's) that further boosts demand for cold rooms.

Throughout the fiscal year, Blue Star appointed new distributors in Oman, Sri Lanka, East Africa, Uganda, and Qatar for applied business, while also securing significant orders for room air conditioners from the reviving Saudi market.

Despite challenges in Qatar and Malaysia due to construction restrictions and weak macroeconomic conditions respectively, Blue Star remains optimistic, fuelled by a positive economic outlook in the GCC region and its commitment to product diversification and market expansion. The Company is confident in its ability to deliver robust returns to investors in the long term.

Furthermore, during the fiscal, the Company expanded its global footprint by establishing wholly-owned subsidiaries in the US, Europe, and Japan.





ENHANCED VALUE CREATION

INTELLECTUAL CAPITAL

- Ashok M Advani Innovation Centre established in Bhiwandi near Thane for design and development of heat pumps and VRF
- 4 state-of-the-art R&D centres at Thane, Wada, Dadra, and Bhiwandi
- 6 patents awarded out of 46 patent applications and 46 design registrations across the Company
- Robust NPD processes
- Design to value methodology for customer-centric products
- Adoption of variable speed technology, low GWP refrigerants and heat pump technologies



SOCIAL AND NATURAL CAPITAL

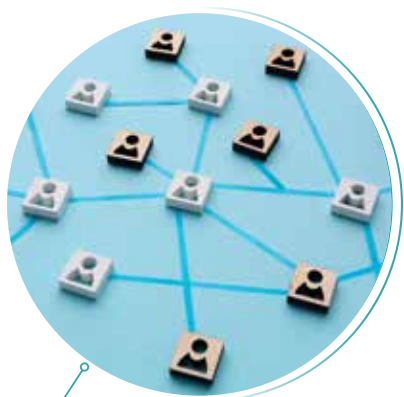
- CSR initiatives focussed on skill development, education, health, hygiene and wellness
- Various capacity building workshops and trainings conducted for beneficiaries like students, farmer producer organisations (FPOs), youth and women
- Use of renewable resources - commissioning of 3.1 MW rooftop solar plant in Wada Plant and 1.4 MW solar plant in Sri City Plant
- Sewage Treatment Plant installation with new MBR technology in Wada and Ahmedabad Plants
- Net-zero initiatives across all manufacturing plants



MANUFACTURED CAPITAL

- Wada Plant certified with IGBC Platinum Rating and Sri City Plant certified with IGBC Gold Rating under the category of Green Factory Building
- BEE marking implemented for deep freezers at Ahmedabad Plant
- QCO compliant ducted system and deep freezer models implemented at Dadra and Wada Plants respectively
- Excellence and efficiency improvement through MOST/LEAN/Six Sigma projects
- Low-cost automation projects





HUMAN CAPITAL

- ❖ Attract and retain talent as the Employer of Choice
- ❖ Continual learning organisation - reskilling and upskilling opportunities across levels
- ❖ Meaningful performance conversations and individual development plans
- ❖ 'StarLead' - a signature intervention for fast-track career development for high potential employees
- ❖ Enhanced gender diversity with focussed women-friendly initiatives
- ❖ Structured reward and recognition system



FINANCIAL CAPITAL

- ❖ All-time high revenue
- ❖ Robust profitability
- ❖ Strong balance sheet aided by issuance of QIP
- ❖ Prudent capital deployment for future growth
- ❖ Effective working capital management



RELATIONSHIP CAPITAL

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

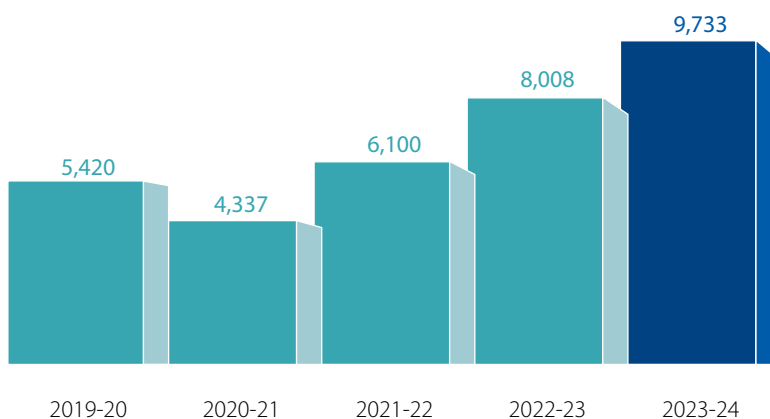


FINANCIAL CAPITAL

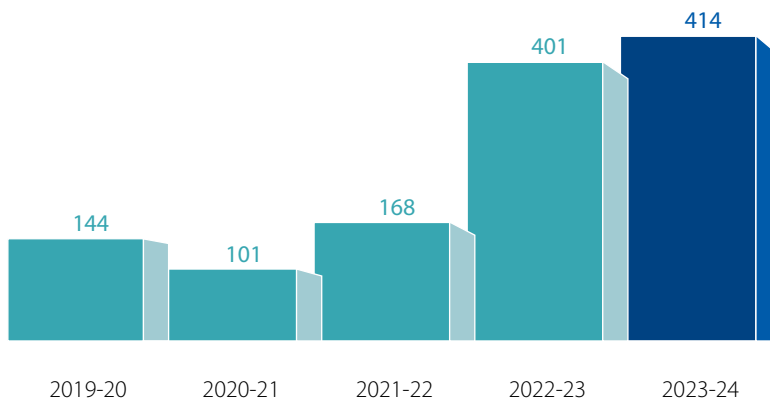
CONSISTENT GROWTH AND ROBUST FINANCIAL HEALTH

Riding the wave of sustained quarterly growth, Blue Star has concluded the fiscal year with outstanding achievements. The Company reported record revenues and profits, bolstered by a strong balance sheet and a substantial carried forward order book.

TOTAL INCOME (₹ crores)

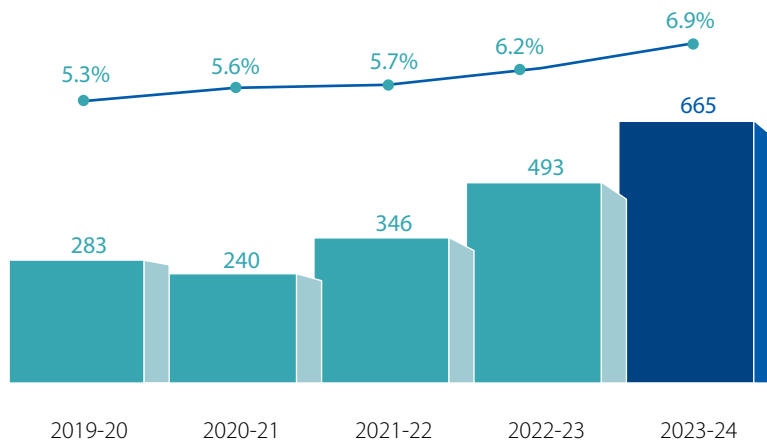


PROFIT AFTER TAX (₹ crores)



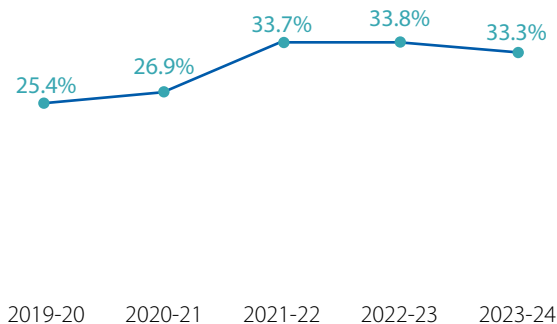
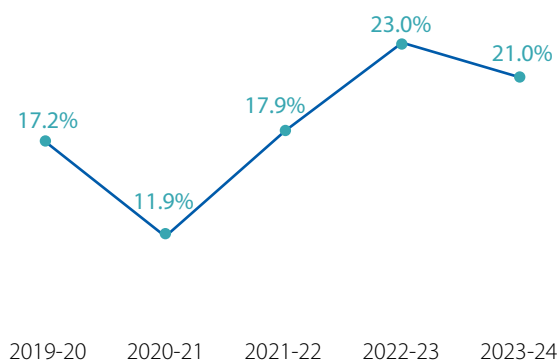
EBITDA (₹ crores)

OPERATING MARGIN (%)



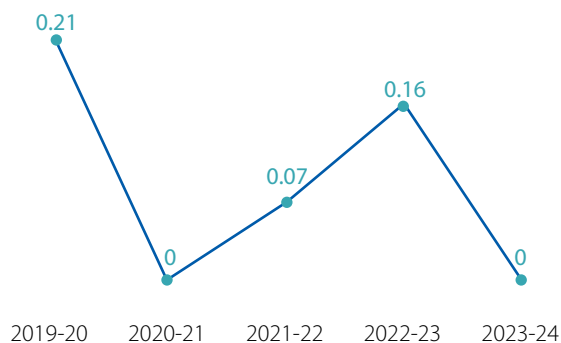
RETURN ON SHAREHOLDERS' FUND* (%)

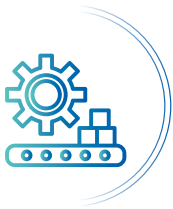
RETURN ON CAPITAL EMPLOYED* (%)



*Ratios calculated basis PAT (before exceptional items) and average Net Worth/Capital Employed for the year

DEBT EQUITY RATIO (NET) (%)





MANUFACTURED CAPITAL

SUSTAINABILITY & EXCELLENCE

Blue Star continues to invest in its manufacturing capabilities to facilitate future growth. The Company has seven state-of-the-art manufacturing facilities spread across the country.

Blue Star's Wada Plants and Blue Star Climatech Limited's Sri City Plant were the two new facilities commissioned in FY23. The new plants quickly ramped up to cater to the growth requirements in FY24. During the year, the facility at Sri City was awarded the IGBC Gold certificate. Apart from the two new plants, Blue Star has five factories, one each in Dadra, Ahmedabad, Wada, and two in Himachal Pradesh.

The 'Manufacturing Excellence Programme' that the Company embarked on in 2016 continues to lay a strong emphasis on lean manufacturing, technology upgrade, quality improvement, and culture building, thereby continuously enhancing its operational efficiency while producing robust, differentiated, and acclaimed products.

There is a constant focus on supplier excellence, end-to-end logistics, Industry 4.0 practices, and building new-age competencies in people. Blue Star strongly believes that such a holistic approach of going beyond manufacturing will enable it to reap benefits of a larger magnitude across its entire value chain while ensuring optimal capital allocation.

Six Sigma has been a way of life at Blue Star to drive the process of cost improvement and quality. Blue Star's manufacturing facilities are certified for IMS (Integrated Management System), which comprises ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018. Near-miss accident campaigns are run to emphasise on employee health and safety, and safety kaizens are awarded across factories. The Company's Himachal Pradesh Plant is one of the first few plants in India to receive the BIS license for affixing the IS Mark on mini split air conditioning units.

Blue Star continues to standardise new and emerging technologies under the ambit of Industry 4.0 implemented by the Company. Digital and robotic interventions are being successfully used for automation across plants. The Company's manufacturing facilities have won many awards at national and international forums in the fields of automation, kaizen, 5S and quality circle competitions, to name a few.

Dadra Plant

The Dadra Plant, Blue Star's flagship manufacturing facility, is a state-of-the-art factory equipped with the latest technology and automation. The plant enjoys the reputation of being one of the best manufacturing facilities in India for high-quality air conditioning products. The facility manufactures packaged and ducted split air conditioners and VRF systems and performed well during the review period.

Technology Upgradation



Quality Improvement



Culture Building



Lean Manufacturing



The plant is committed to quality improvement and has successfully completed two BIS surveillance audits. The BIS license is renewed for five years and is valid up to September 2028. The plant successfully completed ten quality improvement projects, out of which four pertained to quality control and six sigma. To ensure high quality of suppliers, the plant ran a supplier excellence programme, 'Project V-QuESTS', where 41 critical suppliers were selected under the programme for overall quality enhancement. 13 vendors were re-evaluated and monitored through 28 onsite visits. The supplier excellence programme has resulted in significant improvement in supplier quality performance and a reduction in defect rates (supplier PPM).

The plant also regularly engages in numerous Value Analysis and Value Engineering (VAVE) initiatives towards the improvement of its processes, which have resulted in significant cost and time savings for the Company.

During FY24, many capacity enhancement and technology projects were embarked upon, including the commissioning of shrinkless expander, 7mm fin die, T drill for headers, Agramkow gas charging machine, development of an in-house refrigerant recovery machine and expansion of the E-cell. Seven lean manufacturing projects were undertaken, which resulted in the generation of additional capacity to cater to increased

production requirements. Several plant infrastructure projects were also initiated, such as the occupational health centres for employees, additional dispatch bay, and restroom facilities for women. Besides all of this, other safety projects such as the installation of fire extinguisher kiosks, and enhanced machinery safety by use of new technology sensors and safety devices were also implemented. The plant also took initiatives towards digitisation with projects such as the Andon system, digital process audit system, and continuing usage of the Industry 4.0 platform for data acquisition and analysis.

Various energy conservation initiatives were undertaken at the plant, such as the replacement of old pumps with energy-efficient VFD pumps in cooling towers and powder coating shops. The solar rooftop systems generated 80,696 kWh of clean energy and by replacing the roofing sheets, the lighting during the day improved on the shop floor and that reduced power bills as well.

Employee development initiatives were a priority throughout FY24 at Dadra. The teams from the plant participated in various external competitions and won significant awards, such as two Gold awards at the regional level and two excellence awards at the national level Quality Circle competitions. Both teams are now qualified for the international convention of Quality Circle to be held in Sri Lanka in the coming months.



Dadra Plant's assembly line for ducted air conditioners

Himachal Pradesh Plants

The two plants in Himachal Pradesh continue to cater efficiently to the fast-growing markets for room air conditioners and have had an impressive performance during the year. The Company continued to unlock enhanced value through vertical integration with in-house design and manufactured key components.

In its efforts towards enhancing efficiency and augmenting its backward integration initiative, the plant has successfully commissioned six fin lines for in-house manufacturing of heat exchangers, to achieve an annual capacity of 7 lakh finished units. The addition of the new fin lines from Hidaka, Japan will help to enhance the plant's peak capacity, thereby enabling the Company to reduce its dependency on OEMs.

New technology equipment such as helium leak detection chamber-type equipment for heat exchangers, and shrinkless FTHX expanders, amongst others, were also installed.

Intelligent application of lean/most practices led to efficiencies in production such as improvement in the cycle time of split ACs on the assembly lines for ongoing processes. It also resulted in the enhancement of capacity and productivity improvements for the new assembly lines, both in indoor and outdoor units.

In addition to the domestic market, the plant also catered to exports in Europe.

Over 40 new models were introduced from this plant during FY23. A new IDU assembly line was successfully commissioned to cater to higher volumes. During this year, products such as the launch of a -10°C hot and cold model for the Srinagar market and AI-enabled products were the new additions. A new series of commercial mega split models was also launched with inverter technology. A reliability test lab for hot and cold models for long run tests of models at -15°C was also conducted at the plant.

The Himachal Pradesh Plant achieved a special recognition award in the 'CII Pinnacle Awards for Excellence in Manufacturing' competition as well.

In addition, the plants were successfully granted BIS license IS 8148 for 'ODU only' manufacturing for ducted split units, and IS marking was implemented for all commercial split models like mega and verticool series. The plant initiated various net-zero projects in lighting and control, synchronisation of the compressed air system, HVAC, retrofit IE4 motors, BLDC, HVLS fans, along with VFD that helped to save 6 lakh kWh annually to further improve energy intensity.

Various safety initiatives such as SOT (safety observation tour) were initiated, and infrastructure was revamped in line with the best industry practices. Finally, the green belt six sigma training programme was conducted for new joiners to enhance the quality culture.



A glimpse of Blue Star's Himachal Pradesh Plant



Blue Star's screw chillers facility at Wada Plant

Wada Plants

The two Wada Plants, which are the largest manufacturing facilities of the Company in terms of built-up area, produce a wide range of products, such as scroll chillers, screw chillers, centrifugal chillers, cold room panels, condensers and evaporators for the cold room business, deep freezers, storage water coolers as well as condensing units for overseas OEMs.

As part of major infrastructure development, the Company executed 100% indigenisation of the deep freezer range covering capacity models from 60L to 200L, the mass production of which commenced with an investment of ₹ 34 crores.

In addition, a 2.1 MW rooftop solar power plant was commissioned, a new office was set up with occupational health centres, a new sewage treatment plant was installed, and a CCTV surveillance system was built as well. To accommodate new products, enhance capacity and meet the market demand of existing products, the Company has undertaken major plant re-laying activity at Wada Plant. A new plant was constructed

on a built-up area of 7,000 sq. m. with a capex of ₹ 45 crores with a state-of-the-art assembly lines equipped with advanced manufacturing systems like the helium leak testing machine, a refrigerant charging machine, ATEs for product testing, automatic conveyor lines, and the Andon system for manufacturing of condensing units for overseas OEMs.

During FY24, many capacity enhancement and technology projects were embarked upon in the coil and paint shop, including the commissioning of the fin press with 7mm fin die, hair pin bender machine, shrinkless expander, auto coil bending machine, and a new powder coating booth.

The plant also initiated various energy conservation drives, such as conventional HPMV fixtures being replaced with LED light fixtures, installation of high-volume low-speed (HVLS) fans, and variable frequency drive (VFD) based air compressors.

Various teams from the plant participated in external competitions and won significant awards.



Blue Star's Ahmedabad Manufacturing Plant

Ahmedabad Plant

The Ahmedabad Plant continues to invest in initiatives aimed at enhancing operational efficiency and catering for the supply of refrigeration products. During the year, the plant implemented BEE marking for deep freezers, and numerous initiatives under the Total Cost Management (TCM) process for deep freezers, and that helped in containing the product cost and maintaining price levels. The plant manufacturing processes and various TCM initiatives helped in securing level 4 in the CII TCM Maturity level assessment.

Many other initiatives taken by the plant include production quality enhancement and first-time right quality approach; the control ambient test room for online production computerised

testing; critical process parameters multi-level checking, and upgrade of deep freezer unit vacuum line with monitoring systems, amongst others.

To promote a sustainable work culture, the plant celebrated water conservation week, commissioned a new STP (sewage treatment plant) with MBR technology for higher quality water output and usage of treated water in urinal flushing. The plant also strengthened its EHS practices with the establishment of the occupational health centre and various drives to uplift employee health awareness including annual health checkups for staff and operators.

Sri City Plant

The manufacturing unit of the Company's subsidiary, Blue Star Climatech Limited, located in Sri City, which commenced commercial production on January 1, 2023, quickly ramped up and produced 3,22,000 air-conditioners in FY24. This facility has an impressive safety track record of 2.5 million safe man-hours without any reportable accidents.

For higher productivity, quality and process control, automation facilities such as robots, auto-guided vehicles and transfer conveyors are deployed throughout the plant. The state-of-the-art powder coating plant consists of a room-temperature operated nano-ceramic pretreatment plant with an environmentally-friendly zero effluent discharge system.

This unit also houses the facility for the first-ever in-house manufacturing of cassette air conditioners by the Blue Star Group. During the year, the unit also achieved the IGBC Gold Rating for promoting eco-friendly building practices. The 1.4 MW solar plant was also installed as part of green initiatives in June 2023.

The unit continues to be a benchmark for gender diversity with female operators comprising 45% of the total workforce. The unit was rated Gold in the first-ever National Award for Manufacturing Competitiveness (NAMC) assessment.



Chairmen Emeriti and Board of Directors visit to Sri City Plant



INTELLECTUAL CAPITAL

The HVAC&R industry has been undergoing a transformation with increased focus on energy-efficiency and sustainability. A sharp emphasis on technology and innovation is of utmost importance to sustain the Company's position across segments. Blue Star, therefore, lays enhanced thrust on strengthening its R&D ecosystem to maintain the growth momentum in a highly competitive market.

Blue Star houses one of the best R&D centres in the Indian HVAC&R industry today. It has over 220 employees, backed by new-age infrastructure, including performance test labs; reliability testing facilities; electronics lab; 3-D modelling and virtual simulation tools; and high-end workstations for CAD and analysis; amongst others. A structured approach to new product development has enabled Blue Star to roll out new and innovative products and solutions which are best-in-class and continue to cater to the evolving requirements of its customers. Blue Star has been

a frontrunner in areas related to energy-efficiency, sustainability, and climate change, and has been pioneering the introduction of latest technologies and breakthrough products in India.

During the year, the Company continued to invest in R&D including establishing an R&D centre in Japan. It focused on upgrading its infrastructure and design capabilities as well as enhancing its competencies to develop customer-centric products with cutting-edge technologies.

Ashok M Advani Innovation Centre, a state-of-the-art R&D centre located near Thane was inaugurated in December 2023. The facility spread over an area of 6,000 sq. m. is the largest R&D centre of the Company and houses elaborate design and testing facilities for VRF and heat pump products. Its performance test laboratories are designed to test the products in accordance with Indian, European, and American standards.



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



Chairman Emeritus Ashok M Advani and his spouse, Anita Advani inaugurating Ashok M Advani Innovation Centre

Reliability facilities are equipped to validate components and products from -30 °C to 60 °C. Multiple laboratories have been set up to test electrical and mechanical safety, weatherability and transport worthiness of products. Automatic data acquisition systems provide accurate data for performance and failure analysis. The facility will act as a catalyst for expanding Blue Star's global footprint through the development of heating and cooling solutions for the North America and Europe markets.

Blue Star's performance test laboratories located in Thane, Dadra and Wada R&D centres are accredited by NABL. Air-cooled and water-cooled chiller test facilities located in Wada are AHRI-certified. The Company has launched the Ashok M Advani Innovation Mission to fast-track its R&D and innovation programmes supported by its R&D centres.

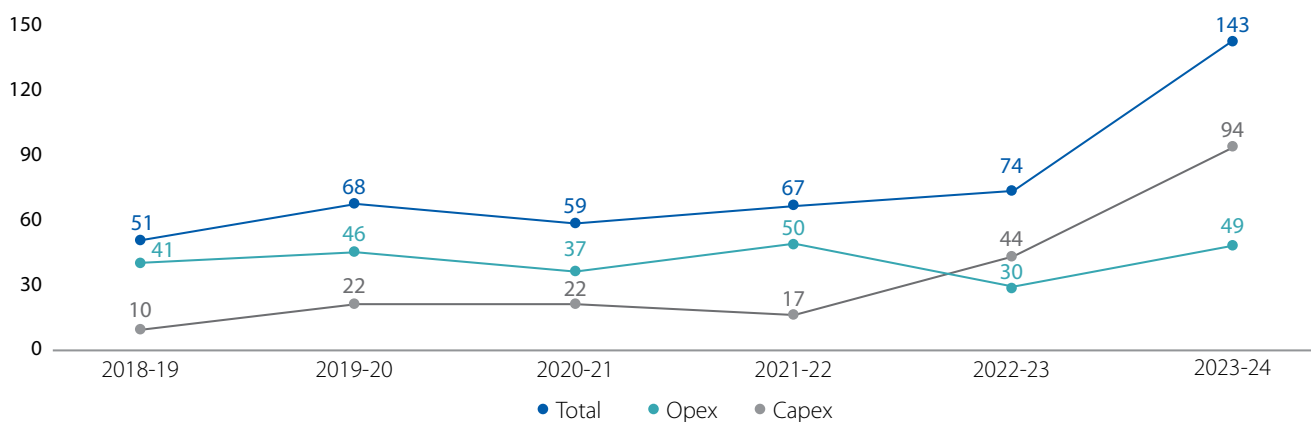
The Company lays strong thrust on intellectual capital creation within the Company through focused skill development initiatives for its engineers and management cadre employees. During FY24, 6 more patents were granted to the Company, of which one is an

international patent applied for in the USA. Besides, the Company has applied for around 46 patents for innovation across its various product categories in addition to 46 design registrations, and is optimistic of being granted several more patents soon.

Blue Star's technical capabilities are recognised by policy makers in the Government of India, and the Company plays a vital role in developing standards for energy-efficiency and safety, and representing the industry across national and international forums.

With the adoption of the latest technologies and best-in-class test facilities, Blue Star's R&D capabilities are well-aligned to meet the market and regulatory requirements related to room air conditioners, commercial air conditioning and refrigeration products in both domestic as well as the international arenas. Because of the enhanced thrust in this direction, the Company has been accelerating its R&D performance across its businesses and continues to roll out new products, as well as an increasing number of new variants and models across product categories.

RESEARCH & DEVELOPMENT INVESTMENTS (₹ crores)



NEW PRODUCTS LAUNCHED DURING THE YEAR

Room Air Conditioners

Split ACs

The Company has launched three categories in the inverter split AC segment. These include flagship, premium and affordable ranges in 2-star, 3-star, and 5-star variants, which are available in various cooling capacities from 0.8 TR to 2.2 TR.

Super Energy Efficient ACs

Blue Star's 'Super Energy-Efficient ACs' include a unique Dynamic Drive Technology to achieve enhanced energy efficiency with optimised cooling by delivering high airflow volumes. As a result, the 1 TR Inverter Split ACs achieves a 6.25 ISEER, which is 64% more energy-efficient than a 3-star Inverter AC.

Heavy Duty ACs

The Company's range of top-of-the-line 'Heavy-Duty ACs' designed with superior specifications are extremely powerful and can deliver faster cooling and comfort even at 56°C. These ACs also come with a powerful air throw of up to 55 feet and deliver 100% cooling capacity at even 43°C.

Smart ACs

The Company has also rolled out one-of-a-kind 'Smart Wi-Fi ACs' which have unique and smart features such as 'Customised Sleep', where one can preset the temperature, fan speed, cool/fan mode and switch on/off the AC every hour for 12 hours for uninterrupted sleep. With Voice Command Technology, customers can operate their ACs through their smart devices, such as Amazon Alexa or Google Home, through English or Hindi voice commands.

Hot & Cold ACs

'Hot & Cold ACs' are designed to provide comfort all year round. Blue Star has developed one model that can operate at ambient temperatures down to -10°C, specifically designed for markets such as Srinagar, and another range that can operate at ambient temperatures down to -2°C for locations in the rest of the country that face harsh winters.

Anti-Virus ACs

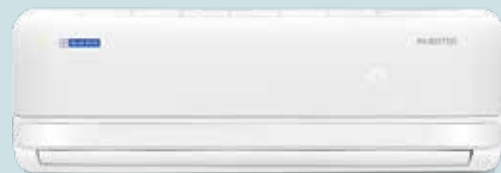
The Company's new range of Anti-Virus ACs integrates comfort and health by effectively filtering out harmful microbes and particulate matter. Customers can also operate these ACs as air purifiers, especially in the winter.

Window ACs

A new range of Window ACs was introduced in both the 3-star and 5-star categories. The Company also enhanced the range of inverter Window ACs in 1.5 TR and 2.0 TR capacities.

Light Commercial ACs

Blue Star launched a complete range of mega split ACs in the 3-star category with R32 refrigerant to meet the BEE and BIS QCO requirements. The Company also launched a complete range of star-rated Verticool (Tower) ACs in 1.5 TR, 2.0 TR, 3.0 TR and 4.0 TR capacities with R32 refrigerant to meet the BEE and BIS QCO requirements. In addition, the Company has launched a complete range of star-rated cassette ACs in fixed speed and inverter category in 1.5 TR, 2.0 TR, 3.0 TR and 4.0 TR capacities with R32 refrigerant. Development of in-house light commercial ACs will provide a boost to the 'Make in India' initiative.



Commercial Air Conditioning

VRFs

Development of sixth-generation top discharge VRF system was completed during the year. High-efficiency heat exchangers and fan motors have been incorporated to optimise the dimensions of the outdoor units. There has been a significant improvement in handling installation aspects on account of compact dimensions and weight reduction. Refrigeration control system has been enhanced for intelligent oil management and higher reliability.

Ducted Split and Packaged ACs

Blue Star launched a new range of packaged air conditioners. The airflow of the units has been increased by 5% resulting in superior cooling performance. The new design provides easy access to the fan and controls section resulting in better serviceability. The Company launched QCO compliant air-cooled and water-cooled ducted split and packaged air conditioners. Blue Star offers the widest range in the industry in both cooling and heat pump versions.

Chillers

Blue Star launched a new range of centrifugal chillers ranging from 500 to 1000 TR which has been accepted well by consumers in the market. The configured design of these chillers ensures optimum selection to achieve desired performance. The key differentiating feature of the chillers are no performance degradation at high ambient conditions as compared to standard AHRI-rating. The Company received orders for 33 chillers in FY24, covering the largest 1000 TR as well.

Brine chillers suitable for temperature up to -10°C were launched to address process cooling and pharmaceutical applications. The range includes 5 models from 50 TR to 150 TR. In FY25, brine chillers offering will be further extended up to -15°C and -20°C .

Star labelling of chillers will become mandatory from July 2024. A complete range is developed to meet 3-star to 5-star performance requirements.



Commercial Refrigeration

100% Indigenisation of the Deep Freezer Range

In the first phase, an efficient range of deep freezer models ranging from 300L to 600L was developed, and then, commercial production of the new range commenced in Wada Plant in 2023. The range offers best-in-class features and performance. In line with the 'Make in India' initiative, a new range of smaller capacity models ranging from 60L to 200L has been developed. Manufacturing infrastructure for the smaller capacity models was completed and production of the models began in December 2023. With addition of new models, the Company will be manufacturing the complete range of deep freezers in India. The new series that qualified for the 3-star and 4-star performance criteria are hard top models and 5-star performance are glass top models.

India Design Mark for the Deep Freezers

New range of deep freezers produced at Wada Plant has been awarded the prestigious India Design Mark. Both the entries of hard top and glass top have been recognised for their outstanding design, innovation and quality, making the Company one of the esteemed recipients of this coveted accolade.

The India Design Mark aims to identify and promote excellence in design, innovation, and quality amongst Indian products and services. Products and services that receive the India Design Mark are acknowledged for their excellence in design, aesthetics, functionality, and sustainability. The mark signifies products or services that are user-friendly, socially responsible, and environmentally sustainable. This recognition will undoubtedly bolster the Company's reputation in the industry and reinforce its position as a leader in design and innovation.

QCO Compliance for Water Coolers

The Quality Control Order (QCO) for water coolers has become mandatory from March 25, 2024. In Blue Star's pursuit to excel and provide quality products as the market leader, the Company has already upgraded its entire range of water coolers manufactured in Wada Plant to be QCO-certified. The Company has received the license to use the ISI mark complying with the Bureau of Indian Standard IS 71475:2001.

Refrigeration Solutions for Cold Rooms

Blue Star introduced Vapour Injection technology in refrigeration condensing units. With 24,000 BTU/hr cooling capacity, the low temperature condensing unit can serve medium and large cold storage applications, while vapour injection technology has been incorporated to provide significant improvement in efficiency, higher reliability at higher ambient temperature and wider application envelop. The product won the prestigious 'Most Innovative Product' award at Refcold 2023.

A new range of semi-hermetic condensing units was introduced during the year. The range includes 8 models from 10,000 to 85,000 BTU/hr and cooling capacity from 2 to 8°C applications, and 8 models from 6,000 to 55,000 BTU/hr and cooling capacity for -18 to -23°C applications. The products designed to offer high-efficiency and better serviceability will be offered for medium and large cold storage applications, including the hotel industry.

The Company recognises the importance of electronics and digital technology for providing customer-centric solutions. Blue Star has introduced IoT solutions for cold room applications. The status of the system and graphical trend of parameters can be monitored on a smartphone or a PC. The device sends notifications to the user in case of any abnormality. The Company also introduced an electronic expansion valve refrigerant flow control system for evaporators. The control system provides precise control of suction superheat resulting in higher efficiency and superior liquid flood back protection for the compressor.



46
Patents for
innovations
applied to date



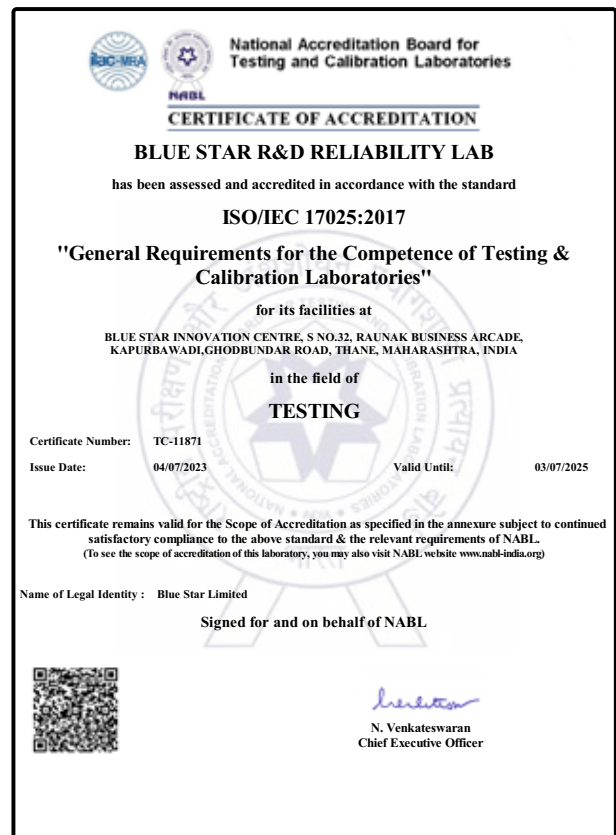
46
Design
registrations
applied to date



6
Patents
granted during
FY24



NABL certifies Blue Star for its Psychrometric Laboratory located at Dadra Plant



NABL certifies Blue Star for its R&D Reliability Laboratory located at Thane



HUMAN CAPITAL

Blue Star emphasises on continuous knowledge sharing and skills upgradation for various cohorts through its varied learning avenues of in-person sessions as well as e-learning platforms. The Company believes that a supportive environment with up-to-date infrastructure enables employees to learn new things quickly and perform their optimal best. Blue Star's 80-year celebrations commenced with an 80-day 'Learn and Shine' initiative, which brought forth a plethora of opportunities to learn new skills for employees and their families. 'Ignite Your Star Skills', 'Bring out the Star in You', 'Wellness is Coolness' and 'Whats your BluQ?' were four robust initiatives executed by cross-functional

teams in this direction that received an overwhelming response with wholehearted participation from Bluestarites. 'Ignite Your Star Skills' offered on-ground opportunities for employees and families to learn a range of life skills such as driving, swimming, business communication, stress management, self-defence, financial management, parenting skills and fine dine mannerisms, besides others. 'Bring out the Star in You' offered opportunities to demonstrate skills across a range of performing arts and talent. Under the aegis of 'Wellness is Coolness', celebrity fitness enthusiasts shared their fitness mantras, while an assortment of activities followed such as fitness challenges, creative fun brain

Blue Star's 80-year celebrations commenced with an 80-day 'Learn and Shine' initiative, which brought forth a plethora of opportunities to learn new skills for employees and their families.



Top Management cutting a cake at the memorable occasion of Blue Star's 80th anniversary



Blue Star employees participating in 'Sparsh' session at Dadra Plant

exercises, laughter as a stress buster and practicing mindfulness in daily living. 'What's your BLUQ?' - the signature quiz event of Blue Star was a roaring success and ended in a befitting finale, wherein quizzes on a range of subjects became a fun activity for

employees. 2,650 learning days were clocked under the 'Learn and Shine' initiative. Overall, learning continues in the form of varied interfaces specially curated for employees across levels and roles.

Communication



Employee Experience



Gender Diversity



Learning & Development



Caring Work Environment



Inclusion of Permanent Operators in Manufacturing



Blue Star pursued an Employee Experience framework across its offices, factories and project sites that was both personalised and supported by digital experiences that augment flexibility to create an enduring opportunity to attract, inspire, and keep the best talent. Following the certification of 'Great Place of Work' in 2023-24, Blue Star continued to embrace a holistic view, which combines the physical, technological, and cultural environments that influence an employee's day-to-day life at the workplace. The varied employee touchpoints such as recruitment, onboarding and induction, engagement, performance, development, and departure kept best industry practices in purview, also incorporating suggestions that ensued from the analysis of the 'Great Place to Work' survey findings. Blue Star continues to lead the Glassdoor rating amongst competitors for the 6th consecutive quarter. Over 840 personnel were recruited across businesses and functions during the year under review, which includes 155 campus recruits from reputed educational institutions. The talent acquisition follows a methodical approach, wherein quality talent remains a focus, scrutinised by a cross-functional panel of managers. The onboarding of these recruits entails an exhaustive induction into the Blue Star Way, understanding the ecosystem and role expectations to assimilate speedily into the respective role to be played in the business or function one is hired for. A structured Reward and Recognition system ensured real-time acknowledgement of top achievements through Spot Awards,

Achiever Awards, Star Awards and Game Changer Awards, besides respective business/functional awards system. The cascade of Key Result Areas, according to one's business/function and the role in question, is done in a systematic manner with discussions around achievement strategies and a joint ownership of goals between people managers and team members. Training in managing performance conversations was extended to managers across the organisation to effectively handhold teams in setting realistic but aspirational goals as well as centre performance reviews around candid, implementable feedback. During the year, opportunities were extended for employees through internal job postings to assume new roles across businesses and departments/functions, in line with their acumen, skillsets and ambitions for career development and growth.

More than 800 managers benefitted from targeted programmes to enhance their competencies to motivate and lead their teams optimally. 210 women management staff benefitted from 'SheEvolve' - the launch of an ongoing year-long women managerial and leadership capability development programme.

Building & Other Construction Workers (BOCW) benefits extended to 1,230 workers across project sites. Efforts were made to strengthen the compliance culture through digitalisation and systematic buy-in of external and internal stakeholders in projects and revamp operations sites.



The winners and finalists of 'What's your BluQ?' with the senior management



Closing plenary session of 'SPARK', a mentorship training programme

SAFETY

Blue Star continues to undertake practices that aid in fostering a 'Safety First' culture. To enable a safe ecosystem for its employees, the Company sustained its certifications of ISO 45001:2018 for its manufacturing plants, projects as well as revamp sites, and engineering facility management, after due audits by certification bodies followed by successful re-certifications.

Training programmes on safety management conducted during

the year covered over 76,940 training man-days during the year. Almost 3,000 audits were conducted across the Company's projects and services sites as well as manufacturing facilities.

During the year, safety-oriented training programmes included leading for safety; risk assessment; safety observation tours as well as environment, health and safety inductions across locations; mock drills; and e-waste management training; amongst others.



Blue Star leaders in a fireside chat during the 'Senior Manager Programme'



RELATIONSHIP CAPITAL

A business model thrives on trust-based relationships and Blue Star is no different. The 'Trust' factor that is reposed in the Company is cherished, fostered and enriched to build trust-based relationships with all its external stakeholders such as customers, suppliers, channel partners, shareholders and bankers.

CUSTOMER FOCUS

Keeping its customers at the core has always been Blue Star's primary focus. The Company endeavours to satisfy its customers through its differentiated products and services, and while doing so there has been a significant improvement in the Company's customer satisfaction levels across categories. Simultaneously, Blue Star gives due importance to safety and the environment while designing and developing all its products and services.

Blue Star's trust-based relationships with customers, suppliers, and stakeholders, fortified by exceptional after-sales service and strategic engagement, drive its integrated business model.

Value Creation through After-sales Support

One of the largest HVAC&R after-sales service providers in the country, Blue Star's legendary customer service is geared towards a single aim – delivering a world-class customer experience. Blue Star understands that after-sales service is one of the critical success factors for the HVAC&R business. Therefore, the Company strives to provide a seamless customer experience with assured response time and the highest quality of service. With a countrywide service network that operates 24x7 and appropriate support infrastructure, backed by its value proposition of 'Gold



Blue Star's mobile refrigerated service van

Standard Service Delivery', Blue Star has extensively expanded its service reach beyond Tier 1 to Tier 2, 3, 4, 5, and 6 cities as well. The Company currently serves more than 900 towns and promises a service response time of 3 hours and turnaround time of 18 hours. The Company also guarantees same-day installation for retail customers and ensures 24x7 call desk omnichannel connect for customers to log their complaints. The speech-to-text technology enables the customer to log installation call tickets through a voice message and it has been very well received and utilised so far. Blue Star customer service is also on WhatsApp to make it easy for customers to register any kind of service need.

A customer service app is also available to customers with one-touch facility to log in to a service requirement. Several digital initiatives such as technician application and remote monitoring of chillers and cold rooms, amongst others, give Blue Star a competitive edge. Technicians also use mobile apps to generate field service reports, which is another added advantage that ensures transparency and real-time data sharing. This service curbs paper usage as well.

Blue Star has also introduced a video calling platform to connect with specialty product customers to provide 'Solutions over Phone' through the Company's service specialist team. This platform is utilised to give demonstrations of the latest specialty products to customers. Blue Star extended the video calling platform to retail customers to resolve their minor complaints through 'Solutions over Phone' and DIY videos.

More than 250 service vans are operated by the Company to reach out to customers in quick time. Refrigerated vans have been deployed across major cities to serve Quick Service Restaurant (QSR) customers offering cold storage support and 24x7 service to a select segment of cold room customers. Fully equipped commissioning vans operate in major metros for smooth commissioning of VRFs and other units. The vans are well-equipped with state-of-the-art instruments such as three phase power analyser, ultrasonic flow meter, anemometer, refrigerant analyser, and VRF and chiller spares, amongst others.

Electronics repair centres have also been established across 12 locations in the country to repair PCBs and controllers with an aim to contribute towards the circular economy as well as to ensure quick turnaround for customer complaints. To ensure sustainability and eco-friendly disposal, Blue Star has appointed an e-waste recycler regionally to collect defective spare parts from channel partners and dispose them sustainably.

The Company's Relationship Capital with customers has been vastly strengthened due to all these service initiatives.

Blue Star extends service to customers through a vast network of service partners who are skilled and trained to handle the state-of-the-art equipment in the field. To ensure constant upgradation of their skillsets, Blue Star has set up training centres at various facilities across the country. This infrastructure has been created with the objective of skill development of the Company's service provider technicians, and topics such as preventive maintenance, troubleshooting and breakdown maintenance are covered in the training courses. Additionally, Blue Star's 'Training on Wheels' is another unique initiative to reach out to technicians at their doorsteps for training across India. These training vehicles have equipment, simulator kits and test jigs to provide hands-on training to technicians.

Blue Star's HVAC&R service is ISO 9001:2015 certified, which ensures consistent performance across product lines and geographies. The Company's service division is amongst the few service organisations to go for ISO 45001:2018 certification that ensures a safe working environment for its field force.

Blue Star's Engineering Facilities Management (EFM) service, through which the Company offers a wide range of Operations and Maintenance services, ensures efficient working of electro-mechanical utilities and is also popular amongst customers.

Having forayed into the residential market in 2011, Blue Star's service group serves over 35 lakh residential customers under warranty. Blue Star also forayed into the Retail Spares Business in 2020-21 through over 300 spare parts distributors across India. The Company introduced the concept of 'Spares Stockist' in over 60 cities across India this year to increase the proximity of spares availability to customers under warranty and AMC.

Customer Experience Centre

Blue Star maintains a first-of-its-kind 'Customer Experience Centre', spread over an area of 1,000 sq. ft, at the Blue Star Innovation Centre in Thane. Built with an intent to create an experience around the Company's brand legacy, innovations, and products and services for its customers, this invite-only Centre displays Blue Star's cooling and purification products across categories such as room air conditioners, commercial refrigeration, and commercial air conditioning, and showcases Blue Star's rich pedigree of 80 years through an elegantly designed history wall. The facility also captures the projects and service businesses along with the R&D and manufacturing capabilities. A virtual tour of the Company's manufacturing facilities is also planned for visitors. With digital screens being used for all sets of communication, the centre looks exemplary in its look and feel.

SUPPLIER FOCUS

Supply Chain Management

Blue Star has a strong and effective supply chain management system that prioritises customer satisfaction and profitability. The Company is highly focused on various cost leadership levers and utilises Total Cost Management (TCM) techniques to identify and reduce costs without compromising on quality.

Value sourcing is used to develop flagship products by partnering with suppliers who offer high-quality material at competitive prices. The Company follows a rigorous process of tracking costs across the supply chain in a granular manner. By following industry benchmarking and 'should be' costing methodology, the Company ensures competitiveness and a strong relationship management with suppliers.

Risk management is essential in supply chain management, and the Company employs robust processes and techniques to identify, assess, and mitigate risks in this regard.

Contract management ensures that supplier obligations are met, and availability of long lead time parts is ensured through a robust supplier and plant inventory management process.

The Quality, Cost, Delivery, Development, and Management (QCDDM) philosophy is implemented to further enhance the

Company's supply chain management. This approach focuses on maintaining quality standards, reducing costs, ensuring timely delivery, promoting innovation, and managing suppliers and the supply chain effectively.

To maintain quality standards, the Company implements strict quality control measures, regular audits, and assessments of suppliers.

Cost-saving initiatives such as value engineering help identify areas to reduce costs without compromising product quality.

Effective communication with suppliers and data analytics ensures timely delivery of products, and collaboration with suppliers optimises transportation routes and minimises delivery times.

Innovation is promoted through collaboration with suppliers through workshops to identify areas for improvement and develop innovative solutions that enhance product quality and reduce costs. Effective supplier and supply chain management is promoted through strong relationships, risk management, and cost and quality assessments.

Also, for competency development, Procurement & Supply Chain (P&SC) team commenced on an intensive Learning & Development programme under the umbrella project - 'ORIGIN: Driving Excellence in Procurement & Supply Chain'. This initiative is one-of-its-kind across the industry and the only one in appliances.



Blue Star's Procurement & Supply Chain team conducting a training under Project 'ORIGIN'



Blue Star's VRF commissioning van

This groundbreaking initiative is aimed at employee's skill development by curating best-in-class sourcing and supply chain modules in association with SP Jain Institute of Management and Research, Mumbai. Every member in the team has undergone 54 hours of classroom training with a total of 4,590 person-hours of training.

Project 'ORIGIN' gives more emphasis to analytics and digitalisation, which is a transformative force reshaping traditional practices and revolutionising cost sheet automation, Design-to-value, MIS, Risk Management, and Warehousing Management System, to name a few to be automated.

Blue Star has an excellence programme under the name 'Project Stellar', wherein MSME suppliers are helped to understand, adapt, deploy, and sustain new processes, systems and techniques to cater to export demands.

During the year under review, the supply chain function continued to work on many important areas such as lead time reduction through localisation, working capital management, and expanding supplier base in FTA countries, to name a few. The Company is an active participant on the M1xchange TReDS platform to support its MSME vendors to access funds at competitive rates.

DEALER FOCUS

Channel Management

The Company's digital transformation initiative for its exclusive high-performing dealers, 'Star Kart – A Dealer Website Initiative,' to strengthen their online presence, continued to be a primary focus area. The Company continues to launch digital brand shops in association with dealers, complemented by marketing campaigns, Search Engine Optimisation (SEO), Search Engine Marketing (SEM), Google My Business, Google ads and Social Media Marketing. They also include features such as Live Chat, Virtual Store, Smart Invoice, Smart Compare Products, product videos integration with product pages, and many more. A 'Virtual Tour' feature in these stores enables a 360-degree virtual walk-around experience for consumers from the comfort of their homes. A 3D visual representation of products is available on the virtual store with options to zoom in, check measurements of the product, and purchase online. These virtual stores which are on the dealers' websites are linked to the dealers' ecommerce sites.

ECOMMERCE

Blue Star has not only partnered with reputed online distributors but has also become a preferred seller on Flipkart and Amazon. In addition, it has also deployed direct seller and dropship models. The contribution of Blue Star's consumer products sales from ecommerce to overall sales grew significantly in FY21 and FY22, but in FY23, it fell slightly due to several consumers going back to physical retail stores. However, in FY24, the overall online sales



grew by 25%. Blue Star continues to command a value market share of over 10% in online channels for its room air conditioners.

Focussed investments on ecommerce marketing with the help of machine learning and AI tools, and sponsored listing and brand ads across platforms, created immense brand visibility and resulted in high click-through rates and conversions at optimised cost. Blue Star’s own ecommerce-enabled website has been performing very well and is the Company’s first initiative in the D2C arena. The website is rich in content and offers a seamless customer buying experience along with various payment modes and direct fulfilment from the Company’s warehouses.

The Company continues to focus on customer database management and has initiated campaigns to cross-sell and up-sell various products that Blue Star has to offer, along with gaining customer insights which will be used to formulate its product management, sales and marketing strategies.

SHAREHOLDER ENGAGEMENT

Blue Star continues to enhance value for its shareholders through improved operating profitability and continued dividend pay-outs. The Company completed a fundraise of ₹ 1,000 crores through a QIP of equity shares. This first-ever QIP transaction of the Company witnessed a strong response from marquee foreign portfolio investors, sovereign wealth funds and top domestic institutional investors. Blue Star regularly engages with its shareholders, both

individual and institutional, through a comprehensive investor relations programme and apprises them of its performance and business updates on an ongoing basis. Quarterly earnings conference calls are organised regularly to apprise the investor community about the Company’s performance for the quarter gone by and the short-term and medium-term outlook.

Besides these, the Company’s management conducts several interactions with fund houses and research firms throughout the year to update them on the Company’s strategic direction and growth aspirations over the medium term. Investor updates are regularly published on the Company’s website as well to disseminate business updates and information in an equitable and transparent manner.

BANKERS AND CREDIT RATING AGENCIES

Over the years, Blue Star has built robust relationships with a group of banks who have supported its growth. Blue Star 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.



CREDO



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



SOCIAL CAPITAL

Blue Star strongly believes in empowering, enriching, and educating people and communities, thereby elevating society. The Company is committed to empowering communities, especially those who reside around the Company's facilities. Long before the term 'Corporate Social Responsibility' became a norm, Blue Star had already established Blue Star Foundation (BSF), a charitable trust serving the underprivileged sections of society.

Established over a decade ago, Blue Star's Corporate Social Responsibility (CSR) team plans, implements and monitors scheduled CSR activities with due diligence and professional care. Blue Star spent a total of ₹ 4.70 crores during the year on CSR, out of which ₹ 1.29 crores was contributed to Blue Star Foundation. The major CSR projects undertaken were in the areas of Skill Development; Education; and Health, Hygiene and Wellness for communities located in and around the Company's manufacturing facilities. Other projects addressed specific needs in major markets in partnership with NGOs.

Blue Star is committed to empowering communities through holistic vocational training, education, and health initiatives, significantly impacting society and elevating lives.

SKILL DEVELOPMENT

Blue Star is a significant stakeholder in providing support towards holistic vocational training initiatives in Air Conditioning and Refrigeration Service (AC&R) as well as in the fields of Mechanical, Electrical, and Plumbing (MEP), in partnership with like-minded institutions, professional bodies, and corporations. Blue Star's training personnel set up customised classrooms and practical labs; contributing towards curriculum development; training trainers; monitoring the quality of teaching sessions; and imparting regular lectures at these centres.



Blue Star empowered Farmer Producer Organisations (FPOs) through comprehensive training sessions



'Digital Sakshar Programme' supported by Blue Star

Blue Star has enrolled apprentices under the National Apprenticeship Promotion Scheme (NAPS), which aims to promote apprenticeship training in the country. This is done by providing partial stipend support to the apprentices under the Apprentice Act, 1961; undertaking capacity building of the apprenticeship ecosystem; and providing advocacy assistance to the stakeholders. During the year, NAPS apprentices were engaged at the Company's manufacturing facilities. The apprenticeship programme accords academic credit to students pursuing diplomas and degrees for on-the-job training, and aids in bridging theory and practice. Customised soft skill training was imparted to them to become future-ready. Nearly 400 apprentices have benefitted from this initiative.

Blue Star also encourages its employees to dedicate their time to deliver sessions on a pro bono basis to impart employable skills. While continuing to help like in previous years, Blue Star supported institutes such as Thakkar Bapa Vidyalaya, Chennai; Sanskriti Samvardhan Mandal, Sangroli; Ramakrishna Mission Shilpamandira, Kolkata; Indo-German Institute of Advance Technology, Vizag; and Apollo Total Health, Aragonda. Additionally, a 'Train the Trainer' programme was conducted for the faculty members of the vocational training centre. In FY24, Blue Star also trained 80 youth in three trades, namely, bar-bending and formwork carpentry; cooking and baking; and backhoe loader operator work over four months through the CII Skills Training Centre, Chhindwara.

EDUCATION

Through its flagship programme, 'Mohan T Advani Centennial Scholarship', Blue Star Foundation continues to support 12 engineering colleges, 12 diploma colleges and 14 architecture colleges spread across India. In FY24, Blue Star Foundation supported a total of 227 scholars, out of which 148 are pursuing a bachelor's degree, 73 are diploma students and 6 are completing their master's. In addition to this, 'Ten Skills for Successful Scholars', a customised soft skills training workshop was also conducted to address the needs of the students. Blue Star also delivered technical guest lectures on 'Energy Efficient AC Systems and Blue Star' in colleges.

In association with Pratham Infotech Foundation, the Company imparted digital education at four schools in Kala Amb, Himachal Pradesh. The project intends to encourage self-learning skills amongst students and engage community members to minimise the digital knowledge gap. The project has impacted more than 1,050 marginalised students in the remote areas of Himachal Pradesh.

Additionally, Blue Star continued to provide sponsorship to 25 tribal girls, helping them to complete their schooling. The students received daily tutoring and regular mentoring support from the assigned teaching facilitators. The sponsorship also covered healthcare needs of these growing adolescent girls. Blue Star also supported Chaitanya Trust in delivering STEM education through science vans in four talukas of Palghar district. This initiative benefitted 1,200 students across 10 schools by providing science classes. Additionally, 650 students from two villages participated

in science camps organised by Blue Star. A pilot project involving a mobile science van reached seven remote government schools near Sri City Plant, impacting approximately 2,500 children.

HEALTH, HYGIENE AND WELLNESS

In FY24, Blue Star in collaboration with the Research and Action Centre for Local Democracy in Tamil Nadu, improved socio-economic conditions in Thanjavur district. Since the farmers in the Thiruvaiyaru area majorly cultivate bananas, banana fibre is abundantly available. Leveraging such natural resources, 100 women of the community were trained in basket-making and coir mat-making, helping them to generate livelihood. Blue Star also partnered with CII and CII Foundation to establish a business support unit for Farmer Producer Organisations (FPOs), enhancing their capabilities, market linkages, and giving access to advanced technologies to boost income. Moreover, in collaboration with Shrushti Foundation, a 'Self-Help Group Women Empowerment Training on Handicrafts & Job Linkage' was launched to empower 100 women in Sri City, Tada district, by teaching them handicraft skills for sustainable livelihood.

Promoting the concept of 'Padhega India Tabhi Toh Badhega India', Kapil Foundation and Blue Star provided bicycles to 80 students in Wada, Palghar district allowing them to commute to schools and other places more efficiently and cost-effectively.

Under health and hygiene, Blue Star, in association with Anandam Medical Care Centre, provided medical consultations, medicines, and basic lab tests free of cost to about 1,50,000 poor families in 20 villages. More than 60 patients from the nearby communities were treated daily.

In addition to these focussed projects, Blue Star Foundation has supported various initiatives aimed at health and well-being by partnering with multiple organisations. This support included setting up mini science centres, providing sports kits to Government schools near factory areas, offering vocational training opportunities to girls, and promoting adolescent health education. The Company also supported Akshar Trust, Vadodara for a special school for children with hearing impairments, and Aishwarya Trust, Chennai for corrective surgeries for children with congenital heart defects, amongst other projects. With 'Blue Star Engineering and Electronics Diagnostic Support Programme', the Company helps women from the underprivileged sections of society with free diagnostic support to detect cancer. The programme served more than 1,350 patients across two partner hospitals comprising The Cancer Institute (WIA) Adyar, Chennai, Tamil Nadu; Dr M L Dhawale Trust's Rural Homeopathic Hospital, Palghar, Maharashtra; and Manav Seva Public Charitable Foundation, Akola, Maharashtra.



'Blue Star Engineering and Electronics Diagnostic Support Programme' for the underprivileged sections of society



Sunaina Murthy, Trustee, Blue Star Foundation interacting with Mohan T Advani scholarship holders in Chennai



Blue Star promotes STEM education in Palghar, Maharashtra



NATURAL CAPITAL

CONSERVATION OF ENERGY

The Company takes many initiatives to ensure sustainability and eco-friendliness of its Plants. To continuously improve these aspects year-on-year, here are some of the initiatives taken during FY24:

Wada Plants

Numerous initiatives towards energy savings were undertaken at the Company's Wada Plant:

- Commissioned an additional 2.1 MW rooftop solar plant in addition to 1 MW solar plant. Annualised generation of 27.75 lakhs of energy units through 3.1 MW rooftop solar plant resulted in reduction of CO₂ emission by 1,389 tonnes.
- Replacement of old HPMV light fixtures with new 138 nos. of 200 W LED light fixtures resulted in annual savings of 16,500 units.
- Installation of 25 High-Volume Low Speed (HVLS) fans on assembly lines and coil shop resulted in annual energy savings of 11,000 units. This installation of old high-speed wall mounted fans reduced negative health effects due to decreased noise levels and improved human safety on assembly lines.

Sri City Plant

Various initiatives were carried out at the plant to conserve energy:

- During the year, the plant achieved IGBC Gold Rating.
- As part of green initiatives, a 1.4 MW solar plant was inaugurated in June 2023.
- Implemented Variable Frequency Drive (VFD) systems for pumps in powder coating, which resulted in an annual savings of 1,80,000 kWh.
- Installed an energy-efficient lighting system on the shop floor saved 1,25,000 kWh of energy on an annual basis.
- Installed water level sensors in the ETP area to monitor and maintain flow in incoming and outgoing lines, reducing water loss and consumption.

Dadra Plant

The Dadra Plant undertook several steps towards enhancing energy-efficiency and enabling energy savings:

- Investment in a VFD driven compressor (Variable Speed Drive), which adjusts motor speed based on real-time demand, achieved significant energy savings. With this implementation, the savings resulted in 110 kW per day, totalling 40,150 kW per year. Additionally, it reduced CO₂ emissions by 8.32 tonnes.
- Replacement of 7.5 kW pump in the cooling tower with a more efficient 5.5 kW pump resulted in direct savings of 2.5 kWh, equivalent to 40 kW per day and 12,680 kW per year. Additionally, it led to a reduction in CO₂ emissions by 2.62 tonnes.
- As part of a pilot project, the Company retrofitted a Variable Frequency Drive (VFD) to the Water Rinse-1 Pump at the Paint Coating facility. By operating the Water Rinse-1 Pump at 30 Hz using the VFD, an energy savings of 4.5 kW was achieved. This further resulted in an annual energy savings of 21,600 kWh and CO₂ emissions by 2.62 tonnes.
- The solar rooftop systems have generated an impressive 80,696 kWh of clean energy. This led to a significant reduction in CO₂ emissions by 16.70 tonnes annually. Harnessing the power of the sun not only benefitted financially but also contributed to the Company's objective of creating a greener nation.

Himachal Pradesh Plants

Various initiatives were carried out at the Himachal Pradesh Plants to conserve energy:

- Replacement of 550 nos. conventional metal halide lamp (250 W) with LED lights (100 W) at the shop floor, which resulted in energy savings of 28,725 kWh and CO₂ reduction by 20.39 tonnes.



3.1 MW rooftop solar facility at Wada Plant

- Replacement of 150 nos. of conventional industrial induction motor fan with BLDC technology fans at the shop floor, which resulted in energy savings of 90,164 kWh and CO₂ reduction by 64 tonnes.
- Installed 4 nos. HVLS fan, which eliminated 26 nos. of conventional induction fans at the shop floor, which resulted in energy savings of 40,724 kWh and CO₂ reduction by 29 tonnes.
- Upgraded IE1/IE2 induction motors with IE3/IE4 motors at split AC ODU assembly lines, which resulted in energy savings of 8,700 kWh and CO₂ reduction by 6.2 tonnes.
- Conventional fixed speed packaged HVAC system replaced with advanced IVRF system for main office building saving 69,126 kWh and resulted in CO₂ reduction by 49 tonnes.
- Optimisation of low air pressure compressor power consumption by synchronising all five LP compressor for plant operations along with O₂/N₂ generation plant with common header adding resulted in energy saving of 1,98,360 kWh and CO₂ reduction by 141 tonnes.

Ahmedabad Plant

Multiple initiatives towards water conservation and energy savings were undertaken at the Company's Ahmedabad Plant:

- A high-efficiency compressor was installed for plant production process air requirements, which resulted in a reduction in utility power consumption.
- Fabrication shop inner bottom SPM roll forming station modification with PLC logic revision resulted in an annual cost saving. Lokring and swaging hydraulic power pack

upgradation from a controller base to a PLC base resulted in cost savings and productivity improvement.

- Optimised DG set usage for production power supply requirements resulted in less consumption of diesel for plant power supply requirements.
- An MBR technology-based new STP plant was installed, which helped to increase the purification level of treated water and ensured zero water discharge from the plant. Treated water is now used in washrooms and this helps to reduce raw water requirements.
- The Ahmedabad Plant celebrated water conservation week in May 2023, which included a few activities that resulted in 15% of water savings.

Offices

- At one of the regional offices located at Saki Naka, Andheri, Mumbai, a rooftop solar system of 40 kWp was commissioned in November 2023, offsetting 18,778 kWh from November to March, covering 20% of total power consumption. Additionally, the office achieved net-zero (Scope 2) energy with an offset of 64,824 kWh through 100% green power between December and March.
- A 50 kWp rooftop solar system installed at Thane office contributed to an energy offset of 50,395 kWh.
- The Chennai office sources all its power requirements from a solar PPA with a third party, which resulted in an offset of 21,30,840 kWh.



INFORMATION TECHNOLOGY

Blue Star is committed to employing digital technologies in every aspect of its business – both internally and externally. It constantly strives to identify digital and process improvement opportunities to facilitate ease of doing business, improve operational efficiencies and integrate global operations on a common digital platform.

During the year, Blue Star continued its thrust on digitalisation across various processes and functions.

For Corporate Finance, several automation initiatives were undertaken in the areas of financial reporting, compliance, taxation, reconciliation, and risk management. This has enhanced financial controls and enabled data-driven decision-making. On the sales front, the Company has rolled out a field force mobile application that enables front-line retail sales executives to collect critical store level information and competitive intelligence across the country. This information is then leveraged to strategically review sales performance and identify strategies to counter competition and grow store-level sales. Last year, a cloud-based sales automation system was launched and extended to various B2B businesses, including the international business, to enable them to monitor the sales pipeline and provide insights into on-ground market coverage. An ROI Calculator for the VRF product range was launched to strengthen the sales process and showcase savings in recurring/operational costs throughout the product's life. Similar calculators for key product lines are in progress.

On the customer service front, Blue Star completed a business process re-engineering and benchmarking exercise towards the end of the previous financial year. The objective of this exercise was to maximise service revenue and improve service delivery capabilities to enhance customer satisfaction. This has also led the Company to implement an industry-leading customer service solution with advanced analytical capabilities for all its service operations. This implementation is currently in progress.

For its logistics operation, Blue Star is in the process of implementing a warehouse management solution across all its warehouses. This is expected to significantly improve efficiency and optimise costs through better management of storage spaces.

On the procurement side, Blue Star is focusing on bringing in excellence through automation by ensuring that there is real-time visibility of price movements that further impact product pricing and gains tight control on pricing and quality of raw and semi-finished sourced materials.

A comprehensive work management solution was implemented to facilitate the ODM business operations of its North American subsidiary. This solution will enable cross-functional and cross-border teams, including client representatives and stakeholders to seamlessly interact, exchange and track project-related critical documents and the progress of ODM projects on a single platform.

An Analytics Centre of Excellence was established during the last financial year. The Centre of Excellence has been instrumental in creating a data-driven culture within the Company and driving several analytics initiatives across business units. Insights generated through these initiatives are now used to guide decision-making and steer operations strategically. Blue Star is also working on building various predictive models incorporating Artificial Intelligence/ Machine Learning techniques.

As technology adoption gathers pace across the Company, measures are being taken to ensure a stable, scalable, and secure IT infrastructure. The ongoing thrust of becoming a data-driven organisation also requires higher and faster data storage facilities. Blue Star invested in strengthening its IT infrastructure and bringing in operational flexibility by migrating critical workloads to the cloud.





BRAND EQUITY

Building the Blue Star brand has always been a strategic focus area for the Company. During the financial year, it made significant investments in advertising and brand-building. Virat Kohli continues to be Blue Star's brand ambassador for its room air conditioners and air coolers. He is the most followed social media celebrity in the country and highly popular too. His association with Blue Star has tremendously helped the Company to increase its awareness amongst a larger audience, especially in smaller towns.

On a strategic level, Blue Star's communication remained targeted towards strengthening the value proposition of 'Fast Cooling ACs'. During the summer of 2023, the Company created a TV commercial which was quirky, fun to watch and easy to comprehend around the personification of heat. It showcased how Virat knocks out Heat Man (a character representing heat) by switching on a 'Fast Cooling' Blue Star AC. This campaign was well received by the audience. Encouraged by the response, in March 2024, the Company again launched three new TV commercials featuring Virat on the personification of heat, this time with multiple 'heat (garmi)' characters. This campaign has gained immense visibility and will significantly help in further fortifying brand equity and recall, especially in Tier 3, 4 and 5 markets, given the easily comprehensible yet impactful communication.

Blue Star's TVCs were telecast during the IPL, which is one of the most popular media vehicles in India now as it cuts across all markets and helps achieve both reach and impact. With enhanced focus on the Hindi-speaking markets, the Company also increased its share of spending on a mix of channels that are popular in these markets.

Blue Star continued to invest more in Digital Marketing and Ecommerce platforms for its B2C product ranges during FY24. This helped to leverage the growing affinity of consumers towards the digital platform and increase its reach as well.

Blue Star also included innovative display platforms, and mobile apps, which have rich regional content and are used majorly by people in Tier 2, 3, and 4 cities. The Company also explored newer formats of advertising like Connected TV (CTV). While most of the digital video consumption is through smartphones, there is clearly an upsurge in the phenomenon of CTV.

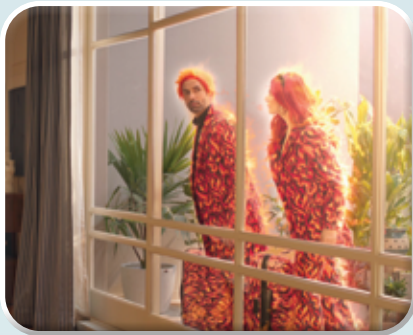


The Company packaged many attractive special offers and promotions on online shopping portals to ensure significant strengthening of its D2C presence, increasing visibility across all markets, and amplifying offtake from online stores. It also aggressively advertised on search as well as display properties on ecommerce platforms to not only enhance conversions from these sites but also to raise awareness amongst those buyers who research online but buy from physical stores.

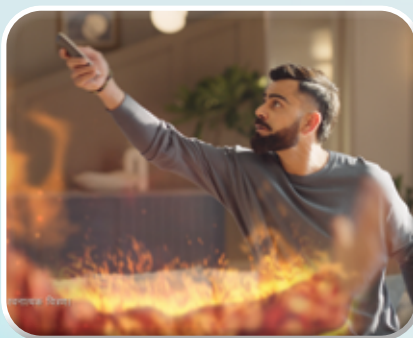
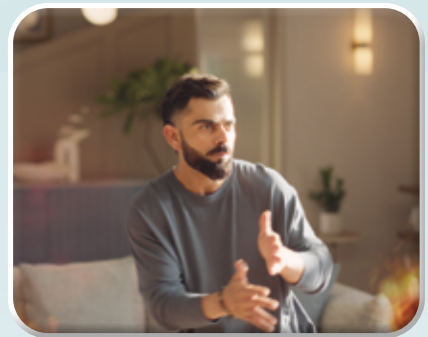
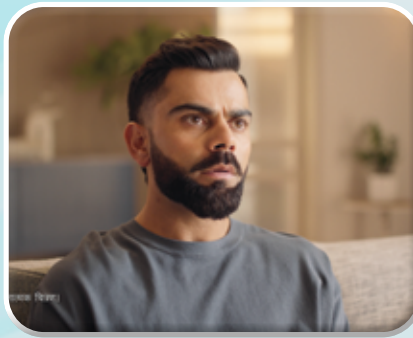
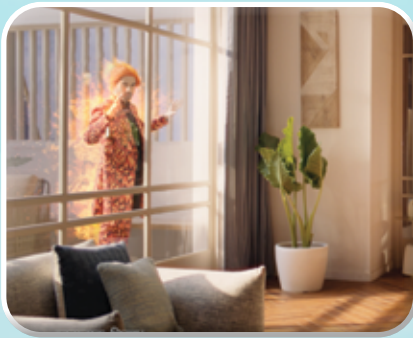
Besides the TVCs, digital films and print communication, Blue Star also focused on participation in major exhibitions and events in key segments like hospitality, architecture and healthcare to increase brand saliency in influencer segments.

TV COMMERCIALS

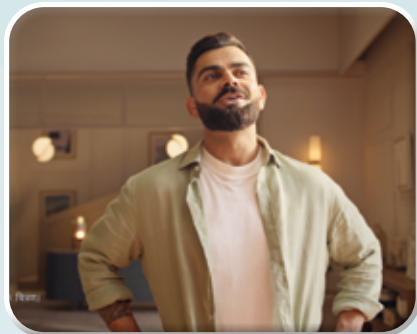
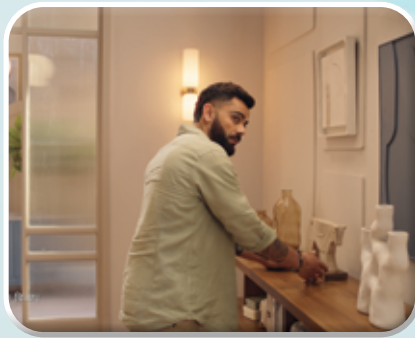
Summer Vacation



Dance



Heavy Duty



AWARDS AND RECOGNITION



The Company received 'Golden Peacock Award for Risk Management 2023' in London.



At the 'India Design Mark' awards held in Coimbatore, Blue Star secured two prestigious awards for 'Hard Top Chest Freezer' and 'Glass Top Chest Freezer'.



Blue Star's Himachal Pradesh Plant won a Gold medal in the Large-scale Manufacturing Facility category at the prestigious 'National Awards for Manufacturing Competitiveness (NAMC) 2022'.



Blue Star Climatech's Sri City Plant was awarded a Gold medal for being highly competitive in manufacturing at the 'National Awards for Manufacturing Competitiveness (NAMC) 2023-24' event.



Blue Star won the 'CII TCM Cost Maturity Award' at the CII Cost Congress 2023.



B Thiagarajan was honoured with the prestigious 'Man of Appliances' award for 2023 by the Consumer Electronics and Appliances Manufacturers Association (CEAMA).



At the Data Analytics and AI Show 2024, Blue Star was awarded the 'Best Use of Real-Time Analytics Platform' award for its outstanding implementation of AI in Invoice Analytics.



Blue Star's Himachal Pradesh Plant team won an award for 'Best Problem Selection and Analysis' at the CII 36th Quality Circle Competition held at CII Northern Region, Chandigarh.



Blue Star’s Electro-Mechanical Projects Group won a Gold Award for the STT Global Data Centre project at the ‘RoSPA Health & Safety Awards’.

Blue Star won the ‘MEP Contractor of the Year’ award at the 13th Construction Week India Awards 2023 for the Wistron Project in Bengaluru.





Blue Star won a Silver award for the 'Enhancing Customer's Trust through Digital Transformation' project under the Customer Service category at the 11th CII IQ Excellence Practice Competition – Western Region.

Blue Star was awarded the prestigious 'Brandon Hall HCM Excellence Leadership Development Award' in the Silver category for its Senior Manager's Programme that comes under the Academy for Leadership Development's Flagship Programme.



Deep Freezer Plant, Wada clinched the Gold Trophy at the 15th CII National Poka Yoke competition.



RISKS & MITIGATION STRATEGIES

DYNAMIC MACRO ENVIRONMENT RISK

The Company's businesses in the Electro-Mechanical Projects and Commercial Air Conditioning Systems segment are cyclical and are exposed to the volatile macroeconomic environment. Capital expenditure investment commitments by customers in the private and public sectors drive the flow of orders in the segment. A prolonged economic slowdown may impact the flow of orders and consequently, the growth of revenue for this segment. International operations are also exposed to geo-political risks such as changes in tax regimes and geo-political developments, amongst others.

Mitigation Strategies:

The Company closely monitors the key macroeconomic indicators regularly. It continuously explores opportunities in untapped segments in the case of projects business 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. Enhanced thrust is placed on expanding Blue Star's global footprint through the development of products conforming to the standards in new geographies as well as on diversifying into related product segments. Besides, the Company invests in continuous in-house capability building and awareness creation about statutory compliances in the geographies, where it operates or proposes to operate.

SEASONALITY RISK

All businesses in the Company's Unitary Products segment are seasonal. Unforeseen weather patterns such as extended winter, pleasant summer, less than normal monsoon, excess monsoon or any kind of disruptions during the peak selling seasons may impact the Company's planning and forecasting process leading to either a stock-out or excess inventory situation and impacting revenue growth.

Mitigation Strategies:

The Company has in place a well-defined process to review and re-align the procurement plan, wherever necessary on a dynamic basis. It also has a continuous process improvement plan to reduce lead time for procurement. The Company also continuously explores opportunities to expand its portfolio to include new product lines that are adjacent to its existing portfolio, to minimise reliance on products that are seasonal.

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 in supply caused due to geo-political reasons, imposition of non-tariff barriers, or the occurrence of a global disruption event that limits imports from China or any other country may significantly impact the Company's ability to import, manufacture and sell. There are also key components and finished goods suppliers located outside and within India on whom the Company has and may continue to have strategic dependency. Any disruption in the business operations of these suppliers may also impact the Company's ability to sell underlying products and equipment seamlessly.

Mitigation Strategies:

The Company has a well-defined review mechanism to identify dependencies either on a single country or single vendor for the key components required for the manufacture of its products. The Company, on an ongoing basis, takes steps to diversify such procurements from alternative and indigenous sources, and identifies backward integration opportunities.

COMPETITION RISK

Several Indian and global players in the air conditioning business are in the process of setting up or expanding their own 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 significant loss of business to the competitors besides dilution of margin and profitability. There are also chances of experiencing a shift in the buying behaviour of consumers due to the growth of ecommerce platforms.

Mitigation Strategies:

The Company is well-diversified across product categories at various price points. It has tie-ups with key ecommerce players. There is enhanced thrust on increasing penetration in Tier 3, 4, 5 cities. The Company hinges on developing more exclusive dealers. The Company also continuously focuses on the rationalisation of costs across the value chain through the Total Cost Management (TCM) framework without compromising on quality and reliability in order to maintain its competitive position across all customer segments and price points.

PROFITABILITY RISK

The Company's profitability may be stressed due to volatility in commodity prices, increases in input costs or ocean freight, and credit defaults by customers.

Mitigation Strategies:

The Company's businesses are ring-fenced with policies and appropriate commercial guidelines for handling volatility in commodity prices and other input costs and a due diligence mechanism to reduce the risk associated with credit default. The Company also continuously focuses on re-engineering commercial and contract management practices, besides review of operating costs on an ongoing basis to build resilience in its cost structure.

CURRENCY RISK

The Company's operations are subject to risk arising from fluctuations in exchange rates concerning 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.

BUSINESS CONTINUITY RISK

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

Prolonged market, supply chain, demand and operational disruptions caused by any global event, resulting in full or partial shutdown of business or operating activities of the Company in whole or some parts of India or in any of the global markets where the Company or any of its subsidiaries, associates or affiliated business entities have presence.

The occurrence of natural disasters or accidents, including hurricanes, floods, earthquakes, tornadoes, fires, and explosions, and man-made disasters, including acts of terrorism, war and military actions.

Mitigation Strategies:

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

REGULATORY AND COMPLIANCE RISK

Regulatory compliance often impacts business operations if the Company is not proactive enough to diligently identify and adhere to such compliances. The Company's product businesses are subject to changing technology, significant technological developments and adherence to a large number of regulatory compliances. Emphasis on the usage of eco-friendly refrigerants

and collection and eco-friendly disposal of e-waste are some of the specific requirements that the Company is required to adhere to. Some of the other regulatory compliances comprise compliance with the Competition Commission of India for norms about dedicated dealerships; compliance with BEE rating norms; compliance with QCO norms; compliance with statutory requirements about Labour Laws, Environmental Laws, Factory Laws, Competition Laws, PF Laws, Insider Trading and listing requirement; amongst others.

Mitigation Strategies:

The Company is very agile and 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 non-compliance and prosecution. Besides, the Company has entered into a comprehensive and competition law-compliant agreement with its dealers. The Company follows a structured approach towards any changes in the BEE ratings and ECBC 2017 norms to identify and implement these 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.

CYBER SECURITY 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 impact its operations.

Mitigation Strategies:

The Company has established a framework to elevate awareness and understanding of cyber-security amongst key stakeholders, such as employees through sessions and scenario-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 or 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.

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 regular safety audits at project sites and mock drills at all establishments. The Company has also obtained ISO 45001 certifications for four of its manufacturing facilities and revamped the electrical facility management of operating sites.

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 impede 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 carbon footprint. To further enhance action in this direction, the Company is exploring more renewable energy technologies.



STRATEGIC PLANNING & DEVELOPMENT

All organisations face a plethora of challenges arising out of macroeconomic scenarios, geo-political situations, and the global trade environment, globally and locally. Hence, it becomes even more important to review their growth strategies periodically and draw up short-term and long-term plans to counter the challenges. Further, customer expectations and profiles are changing every year, and this adds a new dimension to the decision-making process. More so, competition is high in the Indian market in many spheres of business, with several multinationals looking towards India. Therefore, it becomes imperative to constantly review organisational strategies and underlying assumptions.

The Company had rolled out its third 3-year strategic plan, Blue Star@80, which defined the roadmap for Blue Star for three years up till FY24. As the Company completed its 80th year, the next rolling 3-year strategic plan, Blue Star@83, ending in FY27, has been formulated, aligned with its credo and core values. This plan lays down key milestones to be achieved each year at the Company level as well as at individual business and functional levels. The strategic plan emphasises a clear focus on strengthening the Company's core capabilities, responding to competitive forces, acquiring new capabilities, building new processes, and acquiring new technologies. It also specifies details of intended investments to support the growth plans.

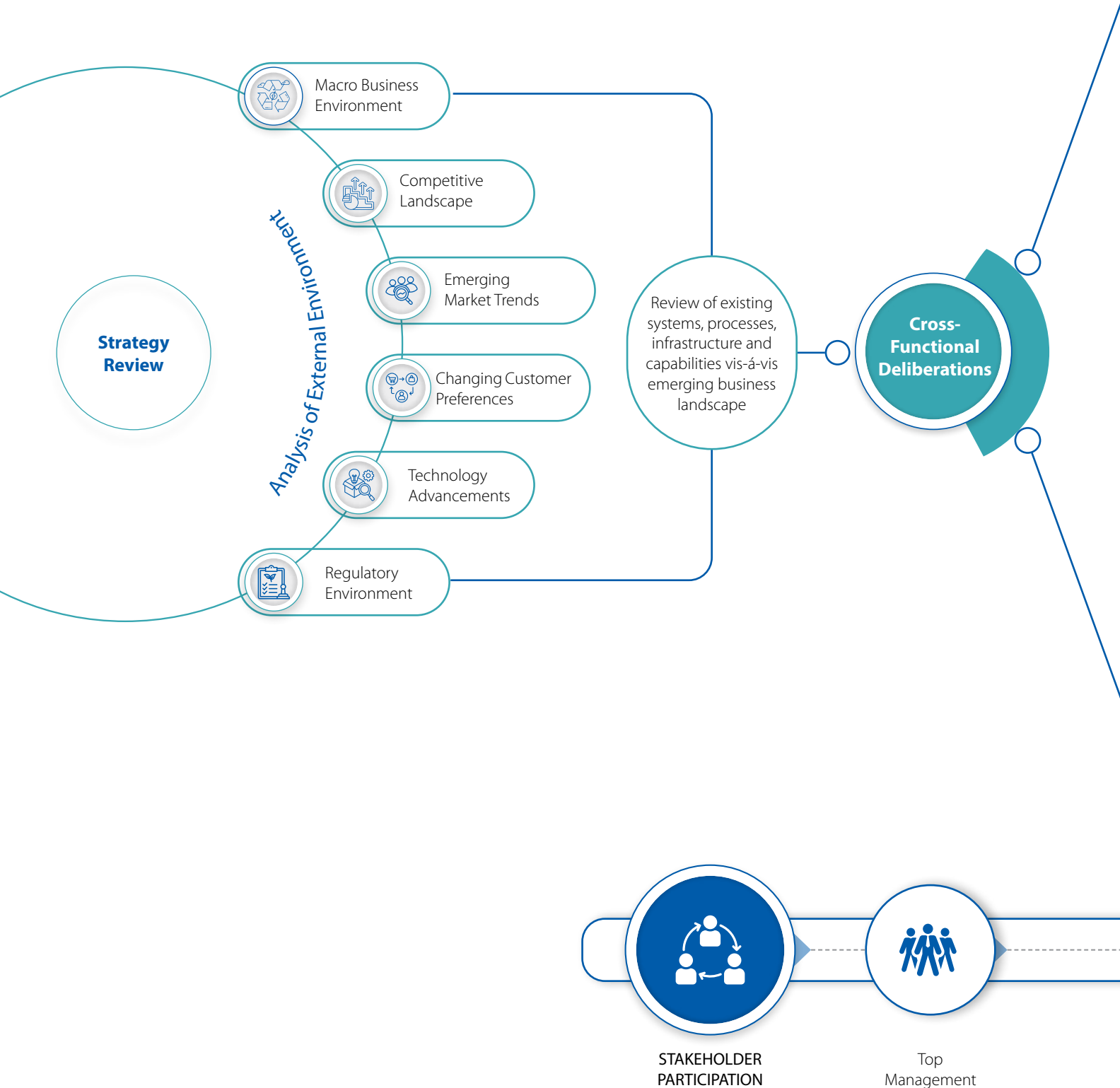
A framework called the Strategic Implementation Framework (SIF) is in place for each business and function to help execute

As Blue Star commemorated its 80th year, the Company has formulated its next three-year strategic plan, Blue Star@83, which will conclude in FY27 and is fully aligned with its credo and core values.

the strategic plans. The SIF essentially draws upon Balanced Scorecard concepts of strategic execution and maintains a well-articulated focus on financials, processes and systems, and people and innovation. Blue Star's strategic plan is thoroughly cascaded to all levels of the Company through town hall meetings, cascade sessions, talk-over-tea sessions, and various appropriate internal forums, to align with the overall goals. The strategic framework calls for periodic reviews in a structured way to take stock of the progress towards key milestones.

This internal process helps in periodically discussing and reviewing the underlying assumptions related to the business landscape as well as understanding the Company's competitive positioning and making course corrections as needed. The Company has undertaken several internal measures based on the strategic plan.

Blue Star has a robust Strategic Planning process in place to formulate a 3-year roadmap for the Company and its businesses.

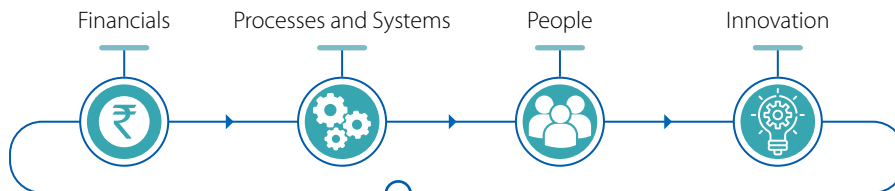
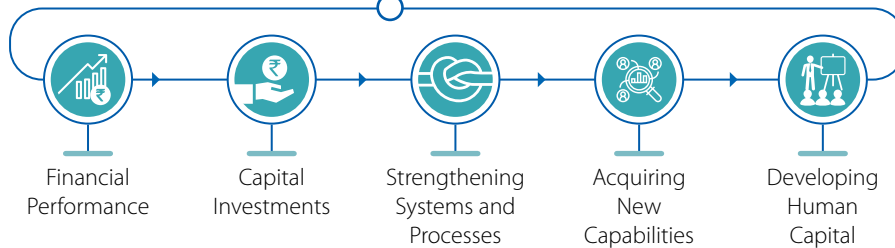


Strategy Development

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



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

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

The Company's integrated business model as a manufacturer, engineering solutions provider and after-sales provider, along with its proven ability to innovate and offer products/solutions in line with the evolving dynamics will continue to grow:

- An enhanced focus is on gaining market share in MEP solutions for factories and data centre segments, which are attractive and growing. The Company continues to focus on profitability and free cash flows and invests in digitalisation and automation for productivity improvement and superior project delivery.
- Changes in the product portfolio due to the introduction of affordable products provide opportunities to set footprints in more geographical locations in India and improve market share in the room air conditioner business.
- In commercial air conditioning, the Company is working towards bridging the product gap, which will help to cater to diverse demands emerging from different business needs. Additionally, ongoing efforts to establish products in international markets are expected to yield results going forward.
- Expansion in retail footprint and changing consumer habits continue to provide opportunities for the organised retail, quick service restaurants and food processing sectors.
- The market for the non-destructive testing business has grown due to 'Make-in-India' capacity expansion as well as the introduction of higher quality standards and specifications in various industries. The healthcare business is benefitting from the expansion of the country's semi-rural healthcare infrastructure and increased investments.

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

BUILT ON TRUST™



ESG PRACTICES

EMBEDDED IN BLUE STAR'S BUSINESS PRACTICES

The Company lays great emphasis on the Environmental, Social, and Governance (ESG) framework by integrating ESG practices into its business model. In its ESG endeavours, Blue Star remains a responsible corporate citizen by displaying the highest standards of sustainable and environment-friendly practices in conduct and behaviour at all levels, right from its board members to employees and even extended arms such as the channel partners. The highlights of the Company's internal assessment undertaken in FY24 related to ESG adherence across its businesses and functions are listed here:

ENVIRONMENTAL

As a leader in the areas of energy-efficiency, sustainability, and eco-friendliness, the Company ensures that its R&D and product development teams are always focussed on customer-centric designs and environmentally-friendly sustainable products.

Environmentally-conscious Operating Practices

Blue Star's environmentally-friendly practices include initiatives such as the use of eco-friendly refrigerants, tree-planting drives around its facilities, and proactive steps undertaken at every factory to reduce the consumption of water and electricity. Details are provided in the Integrated Report, Natural Capital Section on page no. 70 and Business Responsibility and Sustainability Report on page no. 165.

Few Initiatives taken by the Company

Blue Star works with various industry bodies to constantly update the energy standards of its new products. The Company is already an industry leader in producing energy-efficient room ACs, VRFs, deep freezers and screw chillers with variable frequency drives, amongst others. Blue Star has installed 4.69 MWp solar power in its manufacturing plants and offices with 17% renewable energy. The Company's office located at Saki Naka at Mumbai gets 100% renewable energy/green power. Moreover, largely all products are BEE-certified (3 to 5 star-rated products) and manufactured with inverter compressors, BLDC motors and low GWP/GHG emission refrigerants. The Company also ensures that the electronic parts are repaired and reused as well as deep freezers are refurbished. As part of the net-zero journey, energy-efficient improvement projects are carried out in all establishments (plants, offices, and warehouses).

Circular Economy

In terms of its e-waste compliance processes, Blue Star is ranked amongst the top in the room ACs industry. The Company also gives importance to circular economy initiatives. For instance, waste reduction and recycling are pursued as part of the Total Cost Management programme. Air Conditioning & Refrigeration (AC&R) revamp business as well as the reconditioned MRI scanners business, fit in well with the circular economy principles. The Company's new Medical Diagnostic Equipment Refurbishment Facility, Bhiwandi helps the circular economy by being environmentally-friendly while catering to India's growing medical diagnostic imaging needs.

Hazardous Waste Management

Blue Star's plants constantly monitor materials being used in the manufacturing of its products and seek to reduce the same by adopting modern processes and technologies. The Company 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.

Water Management

The rainwater harvesting at all manufacturing plants serves the daily needs of the respective plant during the monsoon season and it has raised the water table in the areas around the facility. All manufacturing plants have zero liquid discharge facility (ETPs/STPs). The Company's manufacturing facilities are equipped with testing machines that use latest technology to aid in quality improvement as well as energy and water savings. This includes water harvesting facilities at its manufacturing plants. Treated water is used for flushing and local irrigation.



Blue Star Climatech's Sri City Plant is Gold-certified by the Indian Green Building Council (IGBC)

Green Building Movement

Blue Star is a founding member of the Indian Green Building Council (IGBC) and plays an active role in the 'Green Building Movement'.

Blue Star's factories are built to be 'green' in their design, processes, and operations. Three of the Company's establishments are green-certified buildings - Thane Office and Wada Plant are Platinum-certified, and Sri City Plant of Blue Star Climatech is Gold-certified. Green Building Certification for four of the Company's establishments and GreenCo certification for the Wada Plant is under progress.

SOCIAL

Freedom of Association

Around 181 permanent employees in the workers' category are unionised. Blue Star respects unionised workmen's rights to freedom of association and collective bargaining and ensures that they can choose to do so without fear of reprisal, intimidation, or harassment. The Company is committed to establishing a constructive dialogue with the unionised workmen or their authorised representatives and bargaining with them on terms and conditions of service in good faith.

Diversity

The Company remains committed in its efforts towards having a diverse and inclusive workforce at Blue Star. The gender ratio amongst the Management staff stands at 10.6% in FY24. The Company adheres to its Diversity, Equity & Inclusion (DEI) Policy

and dedicatedly drives gender diversity initiatives across various levels within the organisation.

Health & Safety Management

Safety is paramount at Blue Star. Details around health and safety measures undertaken by the Company are available in the Business Responsibility and Sustainability Report on page no. 165 and in the Integrated Report on page no. 59.

Supplier Excellence

The Company has 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.

Few Initiatives taken by the Company

- The Company is a leading AC&R vocational training partner for many corporates and institutes such as ICICI Foundation for Inclusive Growth; Thakkar Bappa Vidyalaya, Chennai; Indo German Institute of Technology, Visakhapatnam; Sanskriti Samvardhan Mandal, Sangroli; Ramakrishna Mission Shilpamandira, Kolkata; and Apollo Total Health, Aragonda. Over 520 participants benefitted from these skill development programmes.
- Blue Star supported the Digital Learning programme in 4 schools in Kala Amb, Himachal Pradesh. This programme benefitted more than 1,050 marginalised students in remote areas. More than 25 tribal girls from low-income families from Odisha were sponsored by Blue Star in FY24 to assist them with

their education. To facilitate the Tinkering Lab programme for tribal children, Blue Star developed a Tinkering laboratory for them. The project benefitted over 650 students of 12th grade from Palghar district as well.

- Blue Star set up a Mobile Science Lab (MSL) project that seeks to enable experiential science-based learning to benefit children and teachers at Government schools in Sri City, Andhra Pradesh. The project benefitted more than 2,500 students in its first year of operation.
- Blue Star supported the medical screening programme and eyewear for more than 500 patients and need-based cataract surgeries for 60 patients in Dadra. In Chennai, the Company provided medical consultation, medicines, and basic lab tests free of cost to about 1,50,000 poor families in 20 villages. The Company also aided construction of prefabricated residential blocks and washroom facilities in Dadra, which benefitted tribal girls.
- Through its flagship programme, 'Mohan T Advani Centennial Scholarship', Blue Star Foundation (BSF) continues to support 12 engineering, 12 diploma and 14 architecture colleges spread across Mumbai, Hyderabad, Chennai, Bengaluru, Vadodara, Kolkata, Coimbatore, Trichy and New Delhi. In FY24, BSF supported a total of 227 scholars, where 148 are pursuing a bachelor's degree, 73 are diploma students and 6 are doing their master's.
- Promoting the concept of 'Padhega India Tabhi Toh Badhega India', Blue Star provided easy access to bicycles to students in Wada, Palghar district. Cycling, being an eco-friendly and cost-effective mode of transportation helped individuals save money, hence, reducing their carbon footprint and improving health and fitness. It helped 80 girls and boys to commute to their schools and other places in less time and in a cost-effective manner.
- In the area of skill development, Blue Star supported 389 apprentices under the National Apprenticeship Promotion Scheme (NAPS). While training in crafting handicraft products, more than 100 women in Sri City, Tada district, benefitted from this skill towards earning a sustainable livelihood. Since the farmers in the Thiruvaiyaru area majorly cultivate bananas, banana fibre is available in plenty in this area. Making use of such natural resources, the Company joined hands with an NGO to train 100 women of the community in basket-making and coir mat-making, which helped them to generate livelihood. The Company also supported the training of 80 youth in bar-bending and formwork carpentry; cooking, baking; and backhoe loader operator work in Chhindwara, Madhya Pradesh. The Company was also involved in capacity

building initiative for farmer producer organisations' in Himachal Pradesh.

- The Company's initiatives on societal practices have been elaborated in greater detail in the Business Responsibility Report on page no. 165 and in the Integrated Report on page no. 66.

GOVERNANCE

Code of Conduct and Whistle Blower Programme

Blue Star has in place a well-enumerated Code of Conduct applicable to its directors, employees and other business partners.

Blue Star's Whistle Blower mechanism is available not only to all employees but also across its network of business associates, providing them with a robust platform to report any unethical business practices without any hesitation or fear.

Details relating to the Company's governance initiatives are provided in the Business Responsibility and Sustainability Report from page no. 165 to 210.

Board Diversity and Independence

The Company has a balanced and diverse Board with an optimum mix of Executive and Non-Executive Directors, to maintain independence and separate the functions of governance and management. Details in this regard are available in the Corporate Governance Report on page no. 125.

The Company's commitment to following the highest standards of ethics and promoting culture of governance is re-affirmed by being acknowledged with 'Certificate of Appreciation for Excellence in Corporate Governance' by the Institute of Company Secretaries of India.

Some of the other Governance initiatives undertaken by the Company are:

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

More details on the Company's Corporate Governance practices are provided in the Corporate Governance Report from pages 125 to 156.

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 76th Annual Report, together with the audited financial statements for the financial year ended March 31, 2024.

COMPANY OVERVIEW

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

Leveraging on its project execution capabilities, your Company offers turnkey solutions in MEP (Mechanical, Electrical, Plumbing and Fire-fighting) contracting for Buildings, Factories, Data Centres, Infrastructure, Heavy Industry and Water Distribution projects.

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

FINANCIAL HIGHLIGHTS

The financial statements of the Company are prepared in accordance with the applicable provisions of the Companies Act, 2013 (the 'Act') including Accounting Standards as specified in Section 133 of the Act, read with the Companies (Accounts) Rules, 2014, and amendments thereof. The consolidated and standalone financial highlights of the Company for the financial year ended March 31, 2024, are summarised as follows:

(₹ in crores)

Particulars	Consolidated		Standalone	
	For the year ended		For the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue from operations	9,685.36	7,977.32	8,998.88	7,353.13
Total Income	9,732.78	8,008.19	9,040.18	7,382.96
Total Expenses	9,176.11	7,624.02	8,548.49	7,049.17
Profit before share of profit of Joint Venture, exceptional items and tax	556.67	384.17	491.69	333.79
Share of profit of Joint Venture	0.49	0.4	NA	NA
Exceptional Items	-	170.81	-	170.81
Profit before tax	557.16	555.38	491.69	504.60
Income tax	(142.85)	(154.69)	(124.19)	(138.02)
Profit after tax	414.31	400.69	367.5	366.58

OPERATING RESULTS

During this year, the Company built on the momentum of the previous year and performed exceedingly well in terms of both revenue and profitability. Strong demand for its existing products and solutions, coupled with the successful launch of several new products across key segments, and a robust carried forward order book, enabled the Company to end the year on a high note. The Company continued investment for future growth with focus on expansion of manufacturing capacity, research & development, sales & distribution network, digitalisation, talent development and capability building. Many of these initiatives resulted in higher capital expenditure which was aided by strong cash accruals and capital infusion through Qualified Institutional Placement (QIP). The Company's focus to enhance quality of its order book, profitability, efficient utilisation of capital and building on its international presence resulted in better performance.

On a consolidated basis, revenue from operations for the current financial year grew 21.4% to ₹ 9,685.36 crores as compared to ₹ 7,977.32 crores in the previous financial year. Net profit (including share of profit of Joint Venture) before exceptional items and tax for the current financial year, grew 45% to ₹ 557.16 crores as compared to ₹ 384.57 crores in the last financial year whereas, Net profit after exceptional items and tax grew 3.4% to ₹ 414.31 crores as compared to ₹ 400.69 crores in the last financial year. On a standalone basis, revenue from operations of the Company grew 22.4% to ₹ 8,998.88 crores as compared to ₹ 7,353.13 crores in the previous year. Your Company's standalone Net profit before exceptional items and tax for the current financial year, grew 47.3% to ₹ 491.69 crores as compared to ₹ 333.79 crores in the last financial year whereas, Net Profit after exceptional items and tax grew 0.3% to ₹ 367.50 crores as compared to ₹ 366.58 crores for the previous year.

Your Company's consolidated Total Income in the financial year crossed ₹ 9,500 crores. All segments performed exceedingly well and generated record revenue and profits.

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

I. Electro-Mechanical Projects and Commercial Air Conditioning Systems

a. Electro-Mechanical Projects Business

Driven by strong demand from manufacturing, data centers and infrastructure segments, this business

continues to do well with improved margins and healthy order book. The demand from commercial buildings and real estate sectors are yet to take-off. We continue to be focused on prudent project management and healthy cashflows. During the year, quite a few major orders were received from Factories, Data Centers and Infrastructure segment and the carried forward order book of the business stood at ₹ 4,343.83 crores as on March 31, 2024, as compared to ₹ 3,892.86 crores as on March 31, 2023, a growth of 11.6%.

b. Commercial Air Conditioning Systems

The revenue growth was majorly driven by its product portfolio and channel expansion. The growth is driven by demand from industrial, healthcare, hospitality, retail data centers, educational institutions etc. The launch of VRF Lite will enable the Company to address the premium residential segment. The enquiries and demand for newly launched Centrifugal Chiller remains strong. Your Company continues to maintain No.1 position in Conventional and Inverter Ducted Air Conditioning Systems as well as Scroll Chillers and strong second position in VRFs and Screw Chillers.

c. International Business

Due to global disturbances, international business, which is at a nascent stage, saw a subdued performance. Your Company is focused on products exports and investment in R&D to expand its product portfolio. The Company's subsidiaries in US and Europe are engaging with customers and expect the business to pick up traction soon.

Revenue in this segment for the year grew by 17.4% to ₹ 4,715.46 crores as against ₹ 4,015.63 crores in the previous year. The segment result grew 23.2% to ₹ 341.09 crores as compared to ₹ 276.78 crores in the previous year.

II. Unitary Products

After a steady first half, momentum gained during festive season in Q3FY24 was further bolstered by a stellar performance in Q4FY24. The exceptionally strong demand in the southern region and product diversification especially with a newly launched range of Affordable Room ACs helped us surpass the milestone of 1 million units. Market share during the year improved and is estimated to be at 13.75% compared to 13.50% in FY23. The launch of new inverter split air conditioners under flagship models like "Heavy-Duty ACs"

and "Super Energy-Efficient ACs, aided a substantial revenue growth. It is anticipated that with the enhanced product range and prevailing hot summer weather conditions, the growth momentum will continue in the Q1FY25.

The commercial refrigeration business witnessed excellent traction in the year with strong demand witnessed from OEMs, hospitals, offices and educational institutions. Increase in outside-the-home consumption remains one of the major drivers of business growth especially in the perishable food sector. Your Company became the 1st Indian company to receive India Design Mark for its 300-600 ltrs Deep Freezers & also got BIS Certification as well for Deep Freezers. Your Company continued to maintain leadership position in Deep Freezers, Storage Water Coolers and Modular Cold Rooms.

The overall pick-up in the demand, general improvement in consumer sentiments propelled a growth in revenue of this segment by 26.6% to ₹ 4,592.20 crores in the year under review as against ₹ 3,626.93 crores in the previous year. The segment's results improved to ₹ 360.31 crores in the current year as compared to ₹ 282.31 crores achieved in the previous financial year.

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

The market for the non-destructive testing business has grown due to Make-in-India related capacity expansion as well as the introduction of higher quality standards and specifications in various industries. The healthcare business is benefiting from the expansion of the country's semi-rural healthcare infrastructure and increased investments. The data security business continues to face challenges as customers move from on-premises IT infrastructure to the cloud.

The segment revenue for the year grew by 12.8% to ₹ 377.70 crores as against ₹ 334.76 crores in the previous year. The segment result improved to ₹ 51.50 crores as compared to ₹ 50.50 crores in the previous year.

BONUS ISSUE

Pursuant to the recommendation of the Board of Directors at its Meeting held on May 4, 2023 and approval of shareholders by way of Postal Ballot vide resolution dated June 8, 2023, your Company has on June 21, 2023 allotted 9,63,13,888 Equity Bonus Shares of face value of ₹ 2 each in the proportion of 1:1 i.e. 1 Equity Bonus Share of ₹ 2 each for every 1 existing Equity Share of face value of ₹ 2 each held by the shareholders of the Company as on record date i.e. June 20, 2023. Post Bonus issue, the issued and paid up equity share capital of the Company was increased from ₹ 19,26,27,776 to ₹ 38,52,55,552.

QUALIFIED INSTITUTIONAL PLACEMENT

Pursuant to the recommendation of the Board of Directors at its Meeting held on August 3, 2023 and approval of shareholders by way of Postal Ballot vide special resolution dated September 15, 2023, your Company by way of Qualified Institutional Placement ("QIP") raised an amount of ₹ 1,000 crores by issuing and allotting 1,29,87,012 Equity Shares of face value of ₹ 2 each fully paid up at an issue price of ₹ 770 per Equity Share (including premium of ₹ 768 per Equity Share) to eligible Qualified Institutional Buyers.

The QIP was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder. Funds received pursuant to QIP have been utilised towards the objects stated in the placement document.

Consequent to QIP, the issued and paidup equity share capital of the Company was increased from ₹ 38,52,55,552 to ₹ 41,12,29,576.

DIVIDEND

The Board at its meeting held on May 2, 2024, has recommended a final dividend of ₹ 7 per Equity Share of face value of ₹ 2 each for the financial year ended March 31, 2024. This dividend will be paid subject to the approval of the members at the Annual General Meeting to be held on August 6, 2024, to those members whose names appear in the list of Beneficial Owner/Register of Members as on the record date, i.e. July 19, 2024.

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

FINANCING

The finance cost on a consolidated basis increased to ₹ 58.08 crores as compared to ₹ 54.70 crores in the previous year. This was due to increase in the borrowings at the start of the year for capex and R&D spends which at the latter half of the year was stabilised by funds raised through QIP.

The Company's forex cost was ₹ 3.74 crores for the year as compared to ₹ 5.14 crores in the previous year. The forex cost is monitored and overseen through dynamic forex risk management practices followed by your Company.

DEPOSITS

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

NON-CONVERTIBLE DEBENTURES

In the year 2020-21, the Company had issued 3,500 7.65% unsecured, listed, rated and redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000 each aggregating to ₹ 350 crores on private placement basis in two series i.e Series I and Series II of 1,750 nos. each.

Pursuant to the Listing Regulations, the terms and conditions of issue and embedded call option in the Information Memorandum dated May 29, 2020, your Company in the previous financial year had exercised a call option on May 31, 2022 and redeemed Series II - 1,750 nos. along with interest thereon.

During the financial year, your Company has redeemed Series I - 1,750 nos., 7.65% unsecured, listed, rated and redeemable Non-convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 175 crores along with interest accrued thereon on June 1, 2023.

There was no deviation or variation in the utilisation of proceeds of the NCDs by the Company.

SUBSIDIARIES AND JOINT VENTURE COMPANIES

I. Subsidiary Companies:

a) Blue Star Engineering & Electronics Limited

Blue Star Engineering & Electronics Limited is a wholly owned subsidiary of the Company. It is a material subsidiary as per the thresholds laid down under the Listing Regulations for financial year 2023-24. The company provides advanced technology products to the BFSI and Healthcare sectors as well as turnkey engineering solutions that cater to the Industrial sector. It is the exclusive distributor in India for many globally renowned manufacturers of high-technology professional electronics equipment and solutions, as well as industrial products and systems.

Revenue from operations from Blue Star Engineering & Electronics Limited for the year ended March 31, 2024, was ₹ 381.14 crores, as against its previous year's

revenue of ₹ 349.92 crores. The subsidiary achieved a net profit of ₹ 46.37 crores for the year under review, as against last year's net profit of ₹ 40.27 crores.

b) Blue Star Climatech Limited

Blue Star Climatech Limited is as a wholly owned subsidiary of the Company. The company is a manufacturer of all kinds of air conditioners, commercial refrigeration equipment, cooling appliances and other related products.

This company has set up 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.

This company lays strong emphasis on sustainability and hence has also rolled-out numerous initiatives on this front such as installing advanced affluent treatment plant, engaging in rain water harvesting, and installing solar power.

Revenue from operations of the company for the year ended March 31, 2024, was ₹ 718.75 crores as compared to last year's revenue of ₹ 139.38 crores. The subsidiary achieved a net profit of ₹ 22.72 crores for the year under review, as against last year's net loss of ₹ 6.87 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 and its Original Equipment Manufacturing (OEM)/Original Design Manufacturing (ODM) business.

The consolidated revenue from operations of this company for the year ended March 31, 2024, was ₹ 386.12 crores as compared to ₹ 386.78 crores in the previous financial year. On a consolidated basis, the company has generated a net profit of ₹ 10.27 crores for the year ended March 31, 2024, as compared to a net profit of ₹ 4.75 crores in the previous year.

d) Blue Star Systems and Solutions LLC

This company 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.

The company's revenue from operations for the year ended March 31, 2024, was ₹ 30.06 crores as compared to last year's revenue from operations of ₹ 47.52 crores. The company incurred a net loss of ₹ 5.06 crores for the year ended March 31, 2024, as compared to a net loss of ₹ 7.69 crores in the last year.

e) Blue Star Qatar WLL

Blue Star Qatar WLL is a joint venture between the Company and Al Malki Trading and Contracting WLL, wherein the Company holds 49% of the share capital and voting rights, and the balance is held by Al Malki Trading and Contracting WLL. The company 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 this company.

The revenue from operations of this company for the year ended March 31, 2024, was ₹ 121.35 crores as compared to ₹ 148.73 crores in the previous financial year. Net loss for the year ended March 31, 2024, was ₹ 12.78 crores as compared to net profit of ₹ 4.57 crores in the previous year.

f) BSL AC&R (Singapore) Pte Ltd

This company was incorporated on August 29, 2020, in Singapore as a wholly owned subsidiary of Blue Star International FZCO to directly sell central air conditioning equipment, execute mid-sized HVAC projects and offer after-sales service. This company also owns a 49% stake in the joint venture, Blue Star M&E Engineering Sdn Bhd.

The company's revenue from operations for year ended March 31, 2024, was ₹ 4.10 crores as compared to last year's revenue of ₹ 2.50 crores. The company incurred a net profit of ₹ 0.15 crores for the year ended March 31, 2024, as compared to net profit of ₹ 0.07 crores in the previous financial year.

g) Blue Star North America Inc

Blue Star North America Inc was incorporated on September 22, 2022 in the State of Delaware, as a wholly owned subsidiary of the Company. This company is currently engaged in the business of sale and service of air conditioning, heating and refrigeration equipment for the United States, Canada, and Latin American markets.

The company's revenue from operations for year ended March 31, 2024, was ₹ 19.45 crores. The company incurred a net loss of ₹ 5.51 crores for the year ended March 31, 2024, as compared to net loss of ₹ 2.98 crores in the previous financial year.

h) Blue Star Europe B.V.

Blue Star Europe B.V. was incorporated on November 28, 2022, as a wholly owned subsidiary of the Company. This company is currently engaged in the business of sale and service of air conditioning, heating and refrigeration equipment for the European market.

This company has ended its first financial period on March 31, 2024. The company has generated nil revenue from operations and incurred a net loss of ₹ 10.12 crores for the year under review.

i) Blue Star Innovation Japan LLC

Blue Star Innovation Japan LLC was incorporated on February 10, 2023, in Japan as a wholly owned subsidiary of the Company for the purpose of research and developments (R&D) of refrigeration cycles, control algorithms, and control boards for residential and commercial air conditioners and cold/hot water chillers. The setting up of the R & D center in Japan will significantly accelerate, broaden and sustain investment in the technology and product development of the Company's products, which shall not only be energy-efficient but also ozone friendly thereby contributing to the decarbonisation mission of its stakeholders.

The company has generated nil revenue from operations and incurred a net loss of ₹ 2.92 crores for the year under review.

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

During the year, Blue Star International FZCO, wholly owned subsidiary of the Company, had incorporated

Blue Star Air Conditioning & Refrigeration (U) Limited as its wholly owned subsidiary on June 27, 2023, at Uganda. This company is incorporated for the purpose of carrying manufacture, sale and distribution of all kinds of air conditioning and commercial refrigeration products and systems and fabrication and repair of air conditioning system. The company is yet to commence its business operations.

II. Joint Venture Companies:

a) Blue Star M & E Engineering Sdn Bhd

Blue Star M & E Engineering Sdn Bhd, a joint venture between BSL AC&R (Singapore) Pte Ltd and Amcorp Properties Bhd, Malaysia in the ratio of 49:51 respectively, 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, 2024, was ₹ 83.31 crores as compared to ₹ 46.07 crores in the previous financial year. Net profit for the year ended March 31, 2024, was ₹ 1.23 crores as compared to ₹ 0.83 crores in the previous year.

b) Blue Star Oman Electro-Mechanical Company LLC

A joint venture between W J Towell & Co LLC and the Company, Blue Star Oman Electro-Mechanical Company LLC 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 in process.

W J Towell & Co LLC has filed an arbitration proceeding against the Company with International Chamber of Commerce for a claim of OMR 103,18,000 (approx. ₹ 223.60 crores). The Company has engaged legal counsel to file its response contesting the claim raised by WJT as well as to file a counter claim on behalf of the Company for recovery of dues to which the Company is entitled under Shareholders' Agreement.

Except Blue Star Air Conditioning & Refrigeration (U) Limited, 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.

SIGNIFICANT DEVELOPMENTS

Your Company had successfully completed a fundraising of ₹ 1,000 crores through a Qualified Institutional Placement ("QIP") of equity shares. The first-ever QIP transaction of the Company witnessed a strong response from marquee foreign portfolio investors, sovereign wealth funds and top domestic institutional investors and has attracted, inter alia, global funds like Norges, Fidelity, ADIA, Goldman Sachs etc. The investors confidence is a testament to the Company's success in executing its strategies and delivering value to its stakeholders. Blue Star Engineering & Electronics Limited, wholly owned subsidiary of the Company has partnered with the Gebhardt Intralogistics Group, a 70-year-old German corporation, for enhancing its warehouse automation solutions capabilities in India by integrating state-of-the-art technologies.

In the year 2022-23, as an extraordinary gesture, Ashok M Advani, Chairman Emeritus & Promoter of the Company had announced a personal grant of ₹ 100 crores staggered over a period of 5 years to boost research & development activities of the Company to, inter alia, significantly accelerate, broaden and sustain investment in the technology and product development of its air conditioning and refrigeration products. As on March 31, 2024, the Company has spent a total amount of ₹ 29.76 crores for its research and development activities against the aforesaid grant of ₹ 100 crores.

NEW INITIATIVES

The Company constantly emphasises on technology and sustainability by harnessing advances in science, innovation and disruptive business practices to stay ahead of the competition. The Company has been at the forefront for deploying technology and innovative solutions in its product offerings.

During the year, the Company launched several new products. Complete range of 2-star, 3-star and 5-star inverter split room air conditioners and window air conditioners were launched with an innovative feature called 'AI Pro'.

The Company launched new range of energy efficient Deep Freezers varying from 60 to 600 litres capacities. The entire deep freezer range is now manufactured completely in Blue Star's modern manufacturing facility at Wada, reaffirming the Company's commitment to the 'Make in India, Make for the Globe' initiative.

Blue Star has developed a wide portfolio consisting of cold chain products and solutions that cater to the entire spectrum of segments.

The Company has embarked upon several initiatives in the areas of technology-led digitalisation of some key business processes, employee engagement, adoption of sustainable technologies and internet-enabled automation across its products and services.

For more details on the products launched during the year, kindly refer to Intellectual Capital section of the Integrated Report.

AWARDS AND RECOGNITIONS

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

- Blue Star won MEP Contractor of the Year Award at the 13th Construction Week India Awards 2023 for the Wistron Project in Bangalore.
- Blue Star won the Brandon Hall HCM Excellence Leadership Development Award in the Silver category for its flagship Leadership Development Intervention – 'Senior Managers' Program' (SMP).
- Blue Star's HP Plant won a gold medal in the large scale manufacturing facility category at the prestigious NAMC 2022 (National Awards for Manufacturing Competitiveness) assessment, conducted by IRIM (International Research Institute for Manufacturing).
- Blue Star's UPSD has won the Silver award at the 11th CII IQ Excellence Practice Competition – Western Region for the 'Enhancing Customer's Trust through Digital Transformation' project under the Customer Service category – West Region.

- The compliance team of Blue Star emerged victorious at the 10th edition of the national-level inter-industry compliance quiz undertaken during the Compliance 10/10 awards held by Legasis Private Limited.
- Consumer Electronics and Appliances Manufacturers Association (CEAMA), an all-India body holistically representing the Appliances and Consumer Electronics (ACE) industry, recognised B Thiagarajan's contribution by awarding him the prestigious 'Man of Appliances' Award for 2023.
- Blue Star CRBG won CII TCM Cost Maturity Award at CII Cost Congress 2023.
- Blue Star Climatech's Sri City Plant was awarded the gold medal for being highly competitive in manufacturing at the 'National Award for Manufacturing Competitiveness (NAMC) 2023-24' event conducted by the International Research Institute for Manufacturing.
- Blue Star secured two prestigious awards at the 'India Design Mark' for its products - the 'Hard Top Chest Freezer' and 'Glass Top Chest Freezer'.
- The prestigious "Golden Peacock Award for Risk Management" for 2023.
- Blue Star was awarded the 'Best Use of Real-Time Analytics Platform' award for its outstanding implementation of AI in Invoice Analytics at the Data Analytics and AI Show 2024.
- Blue Star's Himachal Pradesh Plant team won an award for 'Best Problem Selection and Analysis' at the CII 36th Quality Circle Competition held at CII Northern Region, Chandigarh.
- Blue Star's EMPG division won a Gold Award for the STT Global Data Centre project and its CPSD won Silver Awards for EHS management at the prestigious 'The Royal Society for the Prevention of Accidents (RoSPA)' Awards.
- Blue Star's Wada plant clinched the Gold Trophy at the 15th CII National Poka Yoke competition.

DIRECTORS

Retire by rotation

As required under the provisions of the Act, Sunaina Murthy retires by rotation at the ensuing Annual General Meeting, and being eligible, offers herself for re-appointment. The Board recommends her re-appointment at the ensuing Annual General Meeting.

A brief profile of Sunaina Murthy is annexed to the notice convening Annual General Meeting.

Chairman

Shailesh Haribhakti, the Independent Director, was appointed as the Chairman of the Board effective April 1, 2019. He joined the Board of the Company on October 31, 2005 and in accordance with the provisions of the Act, was appointed as an Independent Director for first term from July 28, 2014 to March 31, 2019 and thereafter for second term commencing from April 1, 2019 to March 31, 2024. Upon expiry of second term, Shailesh Haribhakti ceased to be an Independent Director and Chairman of the Board.

Consequent to cessation of Shailesh Haribhakti as Chairman of the Board, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, elevated Vir S Advani, who was the Vice Chairman and Managing Director, as the Chairman of the Board by appointing him as Chairman & Managing Director effective April 1, 2024.

The Board placed on record its deep sense of appreciation and gratitude for the advice rendered by Shailesh Haribhakti during his tenure as a Director, Independent Director and Chairman for over 17 years in various areas including corporate governance, taxation, risk, ESG related matters and strategy.

Appointment of Independent Director

G Murlidhar and Vipin Sondhi were appointed as Additional Independent Directors by the Board on the recommendations of the Nomination and Remuneration Committee with effect from January 30, 2024. The Members of the Company vide special resolution passed through postal ballot on March 26, 2024 have approved the appointment of G Murlidhar and Vipin Sondhi as Independent Directors for a term of five consecutive years commencing from January 30, 2024 to January 29, 2029.

Re-appointment of Independent Director

Arvind K Singhal was appointed as an Independent Director with effect from February 5, 2019 to February 5, 2024. The Board of Directors, based on performance evaluation and as per the recommendations of the Nomination and Remuneration Committee and subject to approval of members, had approved the re-appointment of Arvind K Singhal, as an Independent Director of the Company for a second consecutive term of five years commencing from February 5, 2024 to February 4, 2029. Subsequently, the Members of the Company vide special resolution passed through postal ballot on January 19, 2024 had approved the re-appointment of Arvind K Singhal.

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/re-appointment of Independent Directors mentioned above, based on the declaration/disclosures submitted by them, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience (including proficiency) to qualify as Independent Directors of the Company and are 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
Nikhil Sohoni	Group Chief Financial Officer
Rajesh Parte	Company Secretary & Compliance Officer

*Vir S Advani was appointed as the Chairman & Managing Director with effect from April 1, 2024.

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, 2024, 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, 2024, and of the profit of the Company for the period April 1, 2023 to March 31, 2024;

- 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, 2024, 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. Currently, there are eight Committees of the Board, namely:

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

AUDIT COMMITTEE

As on March 31, 2024, the Audit Committee comprises three Independent Directors viz. Anil Harish (Chairman), Arvind K Singhal and Shailesh Haribhakti and one Executive Director, B Thiagarajan. Shailesh Haribhakti ceased to be a member of the Committee with effect from March 31, 2024 pursuant to completion of his tenure as an Independent Director. G Murlidhar was inducted as a member of the Committee with effect from May 2, 2024. The composition of the Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the

Listing Regulations. The terms of reference of the Committee conform with the Act and the Listing Regulations as more particularly set out in the Corporate Governance Report, which forms a part of this Annual Report. During the year under review, there was no instance wherein the Board had not accepted any recommendation of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2024, the Nomination and Remuneration Committee comprises three Independent Directors viz. Sam Balsara (Chairman), Anita Ramachandran and Shailesh Haribhakti and one Non-Executive Director, Dinesh N Vaswani. Shailesh Haribhakti ceased to be a member of the Committee with effect from March 31, 2024 pursuant to completion of his tenure as an Independent Director.

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, 2024, the Investor Grievance Cum Stakeholders' Relationship Committee comprises one Independent Director, Arvind K Singhal (Chairman) and two Non-Executive Directors viz. Rajiv R Lulla, and Sunaina Murthy. The Committee is constituted in line with the requirements mandated by Section 178 of the Act and Regulation 20 of the Listing Regulations. The terms of reference of the Committee conform with the said requirements, as more particularly set out in the Corporate Governance Report, which forms a part of this Annual Report.

RISK MANAGEMENT COMMITTEE

As on March 31, 2024, the Risk Management Committee comprises two Executive Directors viz. Vir S Advani (Chairman) and B Thiagarajan, one Non-Executive Director, Rajiv R Lulla and one Independent Director, Anil Harish. The Company has adopted a formal Risk Management Policy. The Committee identifies, evaluates and assesses the risks, understands the exposure of risks, and accordingly prepares and oversees execution of appropriate risk mitigation plans and identification of possible opportunities. The Committee and the Board have identified elements of risks, which, according to them, are crucial to the Company. It has identified Risk Management Units within the Company, the risk profiles of which are constantly monitored, and the severity of risk is tracked, based on a systematic risk rating methodology. Details

of these elements of risks have been covered in the Management Discussion and Analysis, and Integrated Report, which form part of this Annual Report and in the standalone financial statement in Note No. 43.

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

As on March 31, 2024, the Corporate Social Responsibility and Environmental, Social & Governance (CSR & ESG) Committee comprises one Executive Director, B Thiagarajan (Chairman), one Independent Director, Anita Ramachandran, and one Non-Executive Director, Sunaina Murthy.

During the year under review, the Company's total CSR obligation was ₹ 4.18 crores i.e., two percent of its average net profits made during the three immediately preceding financial years. However, the Company, in FY 2022-23, had incurred excess CSR expenses to the tune of ₹ 0.32 crores, the set-off of which has been availed by the Company for FY 2023-24. Accordingly, the Company was required to spend an amount of ₹ 3.85 crores towards activities as stipulated under Schedule VII of the Act. The Company has spent an amount of ₹ 3.93 crores towards various CSR initiatives.

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/217799/blue-star-csr-policy.pdf>

Details of the other Committees of the Board are provided in the Corporate Governance Report.

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

The Nomination and Remuneration Committee at its meeting held on December 5, 2023, and the Board at its meeting held on January 30, 2024, 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 governance standards based 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, 2024. 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 24, 2024, and by the Board of Directors at its meeting held on May 2, 2024. 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. A detailed update 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.

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[#]		
Shailesh Haribhakti*	5.77	5.18
Dinesh N Vaswani	2.97	14.87
Rajiv R Lulla	2.94	4.65
Sunaina Murthy	2.94	9.11
Sam Balsara	3.01	7.10
Anil Harish	3.24	1.94
G Murlidhar**	0.59	-
Anita Ramachandran ^{&}	3.10	41.98
Arvind K Singhal	3.24	-0.93
Vipin Sondhi**	0.59	-
Executive Directors		
Vir S Advani	103.50	38.42
B Thiagarajan	103.50	38.42

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>

During the year, no changes were made to the Policy.

Group Chief Financial Officer			
Nikhil Sohoni	-	14.63	
Company Secretary & Compliance Officer			
Rajesh Parte	-	5.07	
<p>#The remuneration of Non-Executive Directors covers sitting fees and commission. * Ceased to be the Independent Director of the Company with effect from March 31, 2024. & Appointed as an Independent Director of the Company with effect from June 13, 2022. **Appointed as an Independent Director of the Company with effect from January 30, 2024.</p>			
III.	The percentage increase in the median Remuneration of employees in the financial year	10.26%	
IV.	The number of permanent employees on the rolls of Company	3,168	
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	8.62%
		Average increase made in salaries to Managerial Personnel	38.42%
		Exceptional circumstances for an increase to managerial remuneration	The average increase given in the financial year 2023-24 was based on the outcome of the compensation and benefits benchmarking to align the remuneration of Executive Directors to market median.
VI.	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the Nomination and Remuneration Policy.	

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

CORPORATE GOVERNANCE

The Company is committed to 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 Company has received ‘Certificate of Appreciation’ at 23rd ICSI National Awards for Excellence in Corporate Governance for promoting the culture of good governance.

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

VIGIL MECHANISM

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

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

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

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

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, 2024.

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

There are no material transactions with any related party as defined under Section 2(76) of the Act and Regulation 2(zb) of the Listing Regulations and hence disclosure in Form AOC-2 has not been provided.

The details of transactions with the related parties as per Indian Accounting Standards are provided in the standalone financial statements in Note No. 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 invested incrementally in professional and managerial development across levels in the organisation. This forms the fulcrum of capability building for an agile workforce and young leadership for the future. Talent Councils conducted during the year identified successors for critical roles and the related grooming is being pursued for assuming these profiles at the opportune time. Also, a cohort of high potential employees has been formed, post a methodical selection procedure. This group is undergoing an intensive, immersive learning programme which spanned across the second half of the year, and is scheduled to conclude in the next few months. These young employees will be called upon to take on higher roles in the organisations, based on their competencies and aspirations. Continuous, experiential learning remained in focus to keep the Company's workforce ahead of the curve and to narrow any skill gap through both online and offline learning fora. A systematic mentorship programme involving select senior management members has been formalised in the organisation. Thus, a continual learning culture has been established in the Company with focused efforts in this direction from the last few years.

The Company aims to attract and retain top talent, with its strategic measures for talent acquisition across roles and levels. The strong driver for significant reduction in voluntary employee turnover is a strong, employee-friendly ecosystem with a good turnaround for staff grievances, business-specific people initiatives and meaningful employee engagement initiatives on a consistent basis. Millennials and Gen Z form 85% of the workforce in the organisation. Work flexibility and employee benefits have been calibrated to the needs of this young workforce. Moreover, a strategically aligned Rewards and Recognition system which includes incidental, monthly, quarterly and innovation awards at organisation level as well as divisional recognition has been well received by the employees.

A systematic approach has been undertaken in the journey to augment HR technological needs from a unified platform mindset. This will enable employees to have quicker solutions to their needs with respect to human resources, ranging from talent acquisition to engagement, enhancing staff productivity. In parallel, transparency, communication, strong people connect,

and data-driven reporting remain at the core of the talent strategies.

The Company was recognised as being amongst 'India's Best Workplaces in Consumer Durables' by the Great Place to Work Institute. Earmarked initiatives were undertaken by the human resources personnel at the Plants, in liaison with the factory management, to enhance the trust and wellbeing of operators across Blue Star's manufacturing units. Blue Star continues to lead the Glassdoor rating amongst competitors for the 6th consecutive quarter.

The range of business-aligned initiatives driven by the various personnel teams in the Company is believed to fortify the workforce abilities to meet unpredictable challenges, market fluctuations, and the fast-evolving world of work.

PARTICULARS OF EMPLOYEES

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

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

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

All employees (permanent, contractual, temporary, and trainees) are covered under this Policy.

The Company has duly constituted Internal Complaints Committees in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to redress complaints received regarding sexual harassment. The Company organises workshops and awareness programs at regular intervals for sensitising the employees with the provisions of the said Act. During the year, the Company received two complaints of which one complaint was disposed of and one complaint, received in the end of March 2024, was pending for investigation. The one pending complaint was resolved after the close of financial year.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company incurred a total expenditure of ₹ 143.47 crores on research and development for the year as against ₹ 73.89 crores in the previous year.

During the year, the Company recorded foreign exchange earnings from the export of its products, commission, and other income, aggregating to ₹ 267.17 crores as against ₹ 280.07 crores in the previous year.

The foreign exchange outflow stood at ₹ 1,555.43 crores as compared to ₹ 1,599.99 crores in the previous year.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

INTEGRATED REPORTING

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

STATUTORY AUDITORS

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

AUDITOR'S REPORT

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

COST AUDITORS

In terms of the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors had on the recommendation of the Audit Committee, appointed M/s Narasimha Murthy & Co, Cost Accountants, Hyderabad, as the Cost Auditors, to conduct the cost audit for the financial year ended March 31, 2024.

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

COST RECORDS

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

SECRETARIAL AUDITORS

In terms of the provisions of Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s N L Bhatia & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company for conducting the secretarial audit of your Company for the financial year ended March 31, 2024.

The Secretarial Audit Report given by M/s N L Bhatia & Associates, Practicing Company Secretaries, has been provided in Annexure 3 to this Report. Further, as required under Regulation 24A of the Listing Regulations, the Secretarial Audit Report of Blue Star Engineering & Electronics Limited, the material unlisted Subsidiary, given by M/s N L Bhatia & Associates is also provided in Annexure 3A to this Report.

The Secretarial Audit Reports mentioned above does 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 M/s Grant Thornton Bharat LLP, Chartered Accountants, as the internal auditors.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, none of the auditors, viz., statutory auditors, cost auditors, and secretarial auditors, have reported to the Audit Committee, under Section 143(12) of the Act, any

instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

ANNUAL RETURN

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

RESERVES

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

PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on March 31, 2024.

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Vir S Advani

Chairman & Managing Director
(DIN: 01571278)

Date : May 2, 2024
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:

1. Dadra Plant

- Achieved significant energy savings by investing in a VFD-Driven Compressor (Variable Frequency Drive), which adjusts motor speed based on real-time demand. With this implementation, saved 40150 kW per year and reduced CO2 emissions by 8.32 T.
- Replaced the 7.5 kW pump in the cooling tower with a more efficient 5.5 kW pump. This change resulted in direct savings of 2.5 kWh, equivalent to 40 kW per day and 12,680 kW per year and a reduction in CO2 emissions by 2.62 T.
- As part of a pilot project, we retrofitted a Variable Frequency Drive (VFD) to the Water Rinse-1 Pump at the Paint Coating facility. The VFD help for Annual Energy Savings: 21,600 kWh, CO2 Emission Reduction per Year: 2.62 T.
- Solar rooftop systems have generated an impressive 80,696 kWh of clean energy, a significant reduction in CO2 emissions by 16.70 T annually.

2. Wada Plant

- Commissioned 2.1MW Roof Top Solar Plant in addition to 1MW Solar Plant. Annualised generation of 27.75 lakh kWh through 3.1MW Roof Top Solar Plant resulting in reduction of CO2 emission by 1389 T.
- Replacement of old High Pressure Mercury Vapor light fixtures with new 138 nos. of 200W LED light fixtures resulted in annual saving of 16,500 kWh equivalent to an annual saving of ₹ 2.0 lakhs.
- Installation of 25 nos. of High-Volume Low Speed (HVLS) fans on Assembly Lines & Coil Shop resulted into annual energy saving of 11,000 kWh.

3. HP Plants

- Under net zero initiatives replaced conventional 550 nos. Metal Halide lights (250 W) with LED lights (100 W) at shop floor, resulted in energy savings of 28,725 kWh cost savings of ₹ 2.15 lakhs annually and CO2 reduction by 20.39 T.
- Under net zero initiatives replaced 150 conventional industrial induction motor fans with Brushless Direct current technology fans at shop floor, resulting in energy saving of 90,000 kWh, cost savings of ₹ 6.76 lakhs and CO2 reduction by 64 T.
- Installed 4 HVLS fans which eliminated 26 conventional induction fans at shop floor resulting in energy savings of 40,000 kWh, cost savings of ₹ 3 lakhs and CO2 reduction by 29 T.
- Under net zero initiatives upgraded IE1 / IE2 induction motors with IE3 / IE4 motors at split AC ODU assembly lines resulting in energy savings of 8,700 kWh cost savings of ₹ 0.65 lakhs and CO2 reduction by 6.2 T.
- Conventional fixed speed package HVAC system replaced with advance IVRF system for main office building resulting in energy savings of 69,000 kWh, cost savings of ₹ 5.18 lakhs and CO2 reduction by 49 T.
- Optimisation of low air pressure compressor power consumption by synchronising all five LP compressor for plant operations along with O2/N2 generation plant with common header resulting in energy savings of 2,00,000 kWh, cost savings of ₹ 15 lakhs and CO2 reduction by 141 T.

4. Ahmedabad Plant

- A high-efficiency compressor was installed for plant production process air requirements, which resulted in a reduction in utility power consumption.

- Fabrication shop inner bottom SPM roll forming station modification with PLC logic revision resulted in an annual cost saving of ₹ 1.0 lakh. Lokring and swaging hydraulic power pack upgradation from a controller base to a PLC base resulted in cost savings and productivity improvement.
- Optimised DG set usage for production power supply requirements resulted in less consumption of diesel for plant power supply requirements, which resulted in cost savings of ₹ 3.0 lakhs monthly.
- An MBR technology-based new STP plant was installed, which helped to increase the purification level of treated water and ensured zero water discharge from the plant. Treated water is now used in washrooms and this helps to reduce raw water requirements.
- The Ahmedabad Plant celebrated water conservation week in May 2023, which included a few activities that resulted in 15% of water savings.

5. Offices

- At one of the regional offices located at Saki Naka, Andheri, Mumbai, a rooftop solar system of 40 kWp was commissioned in November 2023, offsetting 18,778 kWh from November to March, covering 20% of total power consumption. Additionally, the office achieved net zero (Scope 2) energy with an offset of 64,824 kWh through 100% green power between December and March.
- The Thane office installed a 50 kWp rooftop solar system in 2022, contributing to an energy offset of 50,395 kWh, which accounts for 2% of total power consumption.
- The Chennai office sources all its power from a solar PPA with a third party, initiated in 2022. For fiscal year 2023-2024, this has resulted in an offset of 21,30,840 kWh.

II. STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY:

Wada Plant

Installed 2.1 MW Roof Top Solar System at Wada Plant which reduces carbon emission by 925T of CO₂.

III. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:

The Company has spent an amount of ₹ 11.44 crores as capital investment towards energy conservation equipment at various Plants.

(B) TECHNOLOGY ABSORPTION

I. Efforts made towards Technology Absorption:

The Company continues to invest in research and development with a focus on sustainability and energy-efficiency.

Space heating is essential for human comfort in cold climate regions such as USA and Europe. Traditionally, the heating needs in these regions are fulfilled by burning fossil fuels in furnaces and boilers leading to carbon emissions. In recent years, increased awareness on this subject has led to climate related policies promoting decarbonisation. There is an increased emphasis on electricity-driven heat pumps to provide efficient heating. The Company has developed a universal variable speed heat pump outdoor unit to address the global heat pump requirement. An intelligent capacity modulation technology has been incorporated in the innovative product. The outdoor unit works with a standard on/off thermostats and offers a flexibility to integrate with any brand of indoor unit. On receiving a heating signal from the thermostat, the outdoor unit automatically detects the heating load and modulates compressor speed to deliver the right amount of heating capacity. The Company has developed a range of heat pump units from 2 TR to 5 TR serving residential applications in the US market. R&D team collaborated with compressor and refrigeration control device suppliers to deliver a reliable product.

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

The Company has decided to develop a capability to design and develop inverter drives to de-risk the supply chain. During the year, the Company developed a 3-phase inverter drive for compressors used in ducted air conditioners. R&D engineers worked with experts in the field of power electronics to develop the drive. The new design incorporates film capacitors in place of conventional electrolytic capacitors for optimising size and cost.

II. Outcome and benefits:

The Company will be able to address growing demand of heat pumps in the US market in the form of newly developed universal variable speed heat pump outdoor unit. The product can be offered to new as well as retrofit applications because of its ability to handle any make of indoor unit and conventional on-off thermostat. The platform will be expanded further to offer low GWP refrigerant.

In-house design of 3-phase drive has been designed with latest technology of film capacitors. The space and cost optimisation will be beneficial for offering affordable inverter ducted systems. The newly acquired design capability will reduce dependence on imports

and provide supply chain flexibility. The initiative will help in consolidating leadership position of the Company in commercial air conditioning segment.

III. Information Regarding Imported Technology (Imported during last 3 years):

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

IV. Expenditure incurred on R&D:

(₹ in crores)

Particulars	2023-24	2022-23
Capital	99.24	44.12
Recurring	49.23	29.77
Total	143.47	73.89
Total R&D expenditure as a percentage of total turnover	1.48%	0.93%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in crores)

Particulars	2023-24	2022-23
Total foreign exchange outgo	1,555.43	1,599.99
Total foreign exchange earned	267.17	280.07

For and on behalf of the Board of Directors

Vir S Advani

Chairman & Managing Director

(DIN: 01571278)

Date : May 2, 2024

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. The main focus areas of work are: 'Education', 'Skill Development' and 'Health, Hygiene, Wellness and Rural Development'. All the projects are designed and approved keeping in mind the focus areas of work. They are implemented either directly or through implementing agencies.

2. Composition of the CSR Committee:

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

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

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

<https://www.bluestarindia.com/media/217799/blue-star-csr-policy.pdf>

<https://www.bluestarindia.com/media/343449/list-of-approved-projects-2023-24.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: ₹ 2,09,15,89,451.95

(b) Two percent of average net profit of the company as per sub-section (5) of Section 135: ₹ 4,18,31,789.04

(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: ₹ 32,85,000

(e) Total CSR obligation for the financial year [(b)+(c) -(d)]: ₹ 3,85,46,789.04

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): 3,72,27,847

(b) Amount spent in Administrative Overheads: ₹ 21,00,000

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

(d) Total amount spent for the Financial Year [(a)+(b) +(c)]: ₹ 3,93,27,847

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	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	Date of transfer
3,93,27,847	Nil		-	-	-

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

SI. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	4,18,31,789.04
(ii)	Total CSR obligation for the financial year (Refer Note 1)	3,85,46,789.04
(iii)	Total amount spent for the Financial Year	3,93,27,847.00
(iv)	Excess amount spent for the financial year [(iii)-(ii)]	7,81,057.96
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(vi)	Amount available for set off in succeeding financial years (iii)-(ii)	7,81,057.96

Note 1: The total CSR obligation for the Company is ₹ 3,85,46,789.04, as mentioned in point 5(e). This point is not part of the statutory format and has been voluntarily added to reflect the correct calculation on excess amount available for set-off.

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

Yes No

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

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

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

Director
(DIN: 07865860)

Date : May 2, 2024

Place : Mumbai

B Thiagarajan

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

Annexure 3 to Board's Report

SECRETARIAL AUDIT REPORT

To,
The Members,

BLUE STAR LIMITED

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

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

For **N L BHATIA & ASSOCIATES**

Practicing Company Secretaries

UIN: P1996MH055800

PR No.:700/2020

Bharat Upadhyay

Partner

FCS: 5436

CP NO. 4457

UDIN: FO05436FO00288554

Date : May 2, 2024

Place : Mumbai

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024

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

To
The Members,
Blue Star Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we, hereby, report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

1. The Companies Act, 2013 ("**the Act**") and the Rules and Amendment(s) made thereunder (to the extent notified).
2. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder.
3. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
4. The Depositories Act, 1996 and amendments thereof and the Regulations and bye-laws framed thereunder.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 and amendments thereto ("**SEBI Act**"):-

- (a) Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993.
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR**").
- (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Financial Year.**
- (g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable to the Company during the Financial Year.**
- (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the Financial Year.**
- (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not Applicable to the Company during the financial year.**
- (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

6. Other Applicable Laws as per list attached as '**Annexure - A**' to this Report.

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

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

We report that during the period under review, one of the designated persons of the Company had traded during the Trading

Window Closure. The Company had informed the said violation and action taken against it under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to the Stock Exchanges.

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

- (1) Mr Shailesh Haribhakti (DIN No.: 00007347), the Chairman of the Board ceased to be a Director due to completion of his second term as an Independent Director on March 31, 2024.
- (2) Mr Vir S Advani (DIN.: 01571278), Managing Director of the Company, was elevated as Chairman and Managing Director of the Company w.e.f. April 01, 2024.
- (3) Mr Arvind Singhal (DIN: 00709084) was re-appointed as an Independent Director of the Company to hold office for a second consecutive term of 5 years commencing from February 05, 2024 to February 04, 2029 vide a Special Resolution dated January 19, 2024 passed by the Shareholders through Postal Ballot.
- (4) Appointment of Mr G Murlidhar (DIN No.: 03601196) as an Independent Director of the Company to hold office for a term of five consecutive years commencing from January 30, 2024 to January 29, 2029 vide a Special Resolution dated March 26, 2024 passed by the Shareholders through Postal Ballot.
- (5) Appointment of Mr. Vipin Sondhi (DIN No.: 00327400) as an Independent Director of the Company to hold office for a term of five consecutive years commencing from January 30, 2024 to January 29, 2029 vide a Special Resolution dated March 26, 2024 passed by the Shareholders through Postal Ballot.

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

During the Financial year under review, the Meeting of Independent Directors was held on March 27, 2024, for Board Evaluation.

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

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

We further report that during the period under review:

- (1) The Company has allotted 1,29,87,012 Equity shares of face value ₹ 2 per share to 41 Qualified Institutional Buyers at a price of ₹ 770 per share on September 22, 2023.
- (2) The Company has issued and allotted 9,63,13,888 Equity shares as bonus shares in proportion of 1:1 i.e. 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each as on the record date. The record date for issue of bonus shares was June 20, 2023.
- (3) The Company has subscribed 41,84,00,000 no. of equity shares of ₹ 10 each of Blue Star Climatech Limited, a Wholly Owned Subsidiary of the Company.
- (4) The Company has invested an amount aggregating to USD 5,00,000 by subscribing to the capital of Blue Star North America Inc, a Wholly Owned Subsidiary of the Company (equivalent to Indian Rupees at a rate of exchange prevailing on the date of remittance).
- (5) The Company has invested an amount aggregating to EURO 5,00,000 by subscribing to the capital of Blue Star Europe B.V., a Wholly Owned Subsidiary of the Company (equivalent to Indian Rupees at a rate of exchange prevailing on the date of remittance).
- (6) The Company has invested an amount aggregating to JPY 180 million in the share capital of Blue Star Innovation Japan LLC, a Wholly Owned Subsidiary of the Company incorporated on February 20, 2023 (equivalent to Indian Rupees at a rate of exchange prevailing on the date of remittance).
- (7) The Company has entered into a contract with the Company in which Independent Directors, namely Mr. Sam Balsara, Ms. Anita Ramachandran and Mr. Shailesh Haribhakti are interested, after necessary approvals and in compliance with the LODR.
- (8) Articles of Association (AOA) of the Company was amended vide Special Resolution dated June 08, 2023 passed by the Shareholders through Postal Ballot.

(9) Re-appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditor of the Company to hold office for a second term of 5 (five) consecutive years from conclusion of the

75th Annual General Meeting until the conclusion of the 80th Annual General Meeting of the Company, to be held for the financial year 2027-28.

For **N L BHATIA & ASSOCIATES**

Practicing Company Secretaries

UIN: P1996MH055800

PR No.:700/2020

Bharat Upadhyay

Partner

FCS: 5436

CP NO. 4457

UDIN: FO05436FO00288554

Date : May 2, 2024

Place : Mumbai

'ANNEXURE A'
LIST OF OTHER APPLICABLE LAWS

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

1. Maharashtra Shops and Establishments (Regulation of employment and conditions of service) Act, 2017, Rules thereunder and other State Acts and rules thereunder, including statutory amendments made thereto.
2. Contract Labour (Regulation and Abolition) Act, 1970, and Contract Labour (Regulation and Abolition) Central Rules, 1971, and applicable State Rules.
3. Industrial Employment (Standing Orders) Act, 1946 and Industrial Employment (Standing Orders) Central Rules, 1946, and applicable State Rules.
4. Factories Act, 1948 and applicable State Rules.
5. Foreign Trade (Development and Regulation) Act, 1992.
6. Securities and Exchange Board of India Act, 1992.
7. The Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996, The Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Central Rules, 1998, The Building and Other Construction Workers' Welfare Cess Act, 1996 and Cess Rules, 1998 and applicable State Rules.
8. Industrial Disputes Act, 1947, and Industrial Disputes (Central) Rules, 1957, and applicable State Rules.
9. Apprentices Act, 1961, and Apprentices Rules, 1992.
10. Employee Compensation Act, 1923, and Workmen Compensation Rules, 1924 and applicable State Rules.
11. Employees' State Insurance Act, 1948, and Employees' State Insurance (Central) Rules, 1950, and Employees' State Insurance (General) Regulations, 1950.
12. Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and Employees' Provident Fund Scheme, 1952, and Employees' Pension Scheme, 1995, and Employees' Deposit Linked Insurance Scheme, 1976.
13. Equal Remuneration Act, 1976, and Equal Remuneration Rules, 1976.
14. Maternity Benefit Act, 1961, and applicable State Rules.
15. Payment of Bonus Act, 1965, and Payment of Bonus Rules, 1975.
16. Payment of Wages Act, 1936, and Payment of Wages (Nomination) Rules, 2009 and applicable State Rules.
17. Minimum Wages Act, 1948, and Minimum Wages Rules, 1950 and applicable State Rules.
18. Payment of Gratuity Act, 1972, and applicable State Rules.
19. Bombay Labour Welfare Fund Act, 1953, rules thereunder and other State Acts and rules thereunder.
20. Food Safety and Standards Act, 2006, and Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011.
21. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. Information Technology Act, 2000, and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.
23. Bureau of Indian Standards Act, 1986, and Indian Standard Code of Practice for Selection, Installation and Maintenance of Portable First Aid Fire Extinguishers.
24. Maharashtra Fire Prevention and Life Safety Measures Act, Rules and other applicable States Acts and Rules as applicable.
25. Legal Metrology Act, 2009, and Legal Metrology (Enforcement) Rules, 2011, Legal Metrology Packaged Commodities Rules, 2011 and applicable State Rules.
26. Explosives Act, 1884, and Gas Cylinder Rule, 2004.
27. Petroleum Act, 1934, and Petroleum Rules, 2002.
28. Electricity Act, 2003, and Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010.
29. Energy Conservation Act, 2001.
30. Income Tax Act, 1961, Central Goods and Services Tax Act, 2017; State Acts governing Profession Tax, Tax on Trades, Callings and Employments Act and rules thereunder.
31. Environment (Protection) Act, 1986, and Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016, Noise Pollution (Regulation and Control) Rules 2000, Environment (Protection) Rules, 1986, E-waste (Management) Rules, 2016, Ozone Depleting Substances (Regulation and Control) Rules, 2000, Bio-Medical Waste Management Rules, 2016, Battery Waste Management Rules, 2022.
32. Air (Prevention and Control of Pollution) Act, 1981, and Air (Prevention and Control of Pollution) (Union Territories) Rules, 1983 and applicable State Rules.
33. Water (Prevention and Control of Pollution) Act, 1974, and Water (Prevention and Control of Pollution) Rules, 1975, and applicable State Rules.
34. Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003.
35. Maharashtra Municipal Corporations, 1949.
36. Plastic Waste Management Rules, 2016.
37. Any other Central and State Acts and Rules made thereunder, as may be applicable.

Annexure 3A to Board's Report

SECRETARIAL AUDIT REPORT

To,
The Members,

Blue Star Engineering & Electronics Limited

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

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

For **N L BHATIA & ASSOCIATES**
Practicing Company Secretaries
UIN: P1996MH055800
PR No.:700/2020

Bharat Upadhyay
Partner
FCS: 5436
CP NO. 4457
UDIN: F005436F000176211

Date : April 18, 2024
Place : Mumbai

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024

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

To
The Members,

Blue Star Engineering & Electronics Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and Authorised Representatives during the conduct of Secretarial Audit, we, hereby, report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2024** according to the provisions of:

1. The Companies Act, 2013 ("**the Act**") and the Rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder - **Not Applicable**.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder - **Not Applicable**.
4. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 - **Not Applicable**.
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. - **Not Applicable**.

6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") - **Not Applicable**.
 - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
 - (d) The Securities and Exchange Board of India (Issue and Listing Debt Securities) Regulations, 2008.
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and
 - (g) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
7. Other applicable Laws as per list attached as "**Annexure - A**" to this Report.

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

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

- (a) Appointment of Ms Sunaina Murthy (DIN: 07865860) as an Additional Director of the Company with effect from April 20, 2023 and as a Director through an Ordinary Resolution passed by the Shareholders at the 13th Annual General Meeting held on May 15, 2023;

- (b) Appointment of Mr Yogesh Joshi as a Chief Financial Officer of the Company with effect from April 20, 2023, and his re-designation as the Chief Financial Officer and Company Secretary with effect from April 20, 2023;
- (c) Appointment of Mr Nikhil Sohoni (DIN: 06852639) as Director of the Company through an Ordinary Resolution passed by the Shareholders at the 13th Annual General Meeting held on May 15, 2023;
- (d) Appointment of Mr Arvind Balaji (DIN: 00557711) as Director of the Company through an Ordinary Resolution passed by the Shareholders at the 13th Annual General Meeting held on May 15, 2023; and
- (e) Appointment of Mr Vikram Nirula (DIN: 01655115) as Director of the Company through an Ordinary Resolution passed by the Shareholders at the 13th Annual General Meeting held on May 15, 2023.

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

There also exists a system of recording any dissent expressed by any director in the meeting, however all the decisions have been

taken unanimously at the Board Meetings and with requisite majority at the General Meetings.

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

We further report that during the period under review,

1. The Company received a demand notice from the Maharashtra Stamp Office for payment of ₹ 2,40,00,000/- towards arrears in stamp duty and a penalty of ₹ 7,44,00,000/- w.r.t Business Purchase Agreement. The Company has also received a letter from the Maharashtra Stamp office intimating introduction of the Amnesty Scheme, 2023, to reduce the amount of Stamp Duty and penalty w.r.t above matter. To avail the benefits under the said scheme, the Company has filed an application. The Company awaits acceptance of the application.
2. The Company re-appointed M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company for a period of 5 consecutive years, to hold office from conclusion of the 13th Annual General Meeting until the conclusion of the 18th Annual General Meeting of the Company to be held for the financial year 2027-28.
3. No Winding up Petition has been filed against the Company, impacting the going concern status.

For **N L BHATIA & ASSOCIATES**

Practicing Company Secretaries

UIN: P1996MH055800

PR No.:700/2020

Bharat Upadhyay

Partner

FCS: 5436

CP NO. 4457

UDIN: F005436F000176211

Date : April 18, 2024

Place : Mumbai

'ANNEXURE 3A'

LIST OF OTHER APPLICABLE LAWS

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

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

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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



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

VISION, CREDO, VALUES AND BELIEFS

Blue Star has consistently followed the principles of good corporate governance through transparency, accountability, fair dealings, and the promotion of mutual trust. The Company's Values and Beliefs have become a way of life within the organisation, and each employee is responsible for adherence to the Values of the Company.

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

Vision

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

Credo

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

Values and Beliefs:

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

The Company confirms compliance to the corporate governance practices as enshrined in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations'), details whereof for the financial year ended March 31, 2024, are as set out hereunder:

BOARD OF DIRECTORS

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

COMPOSITION OF THE BOARD

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

As on March 31, 2024, the Board comprised twelve Directors. Out of the twelve, seven (i.e. 58.33 percent) were Independent Directors, three (i.e. 25 percent) were Non-Executive Non-Independent Directors and two (i.e. 16.67 percent) were Executive Directors. The Board comprised two women Directors, one Independent Director and one Non-Executive Non-Independent Director.

During the year, Shailesh Haribhakti, Independent Director, who was the Chairman of the Board, completed his second term as an Independent Director as on March 31, 2024, and accordingly, ceased to be a Chairman of the Board and Director of the Company. Consequently, pursuant to recommendation of the Nomination and Remuneration Committee of the Board and approval of the Board of Directors, Vir S Advani, Vice Chairman and Managing Director and also a Promoter of the Company, was appointed as the Chairman & Managing Director w.e.f. April 1, 2024.

Further, G Murlidhar and Vipin Sondhi were appointed as Additional Independent Directors by the Board on the recommendations of the Nomination and Remuneration Committee with effect from January 30, 2024 and subsequently, by the Members of the Company vide special resolution passed through postal ballot on March 26, 2024 as Independent Directors for a term of five consecutive years commencing from January 30, 2024 to January 29, 2029.

The Chairman presides over the meetings of the Board and of the shareholders of the Company. He leads the Board and ensures effective communication among the Directors. He is responsible for guiding implementation of all the initiatives relating to corporate governance. He ensures effectiveness of the Board

and its Committees and guides in the evaluation of the performance of individual directors and the Board in fulfilling their roles and responsibilities.

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

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

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

The composition of the Board of Directors and the number of directorships and committee positions held by them in the Company and other companies as on March 31, 2024, are as under:

Name of Director	Category	Particulars of Directorships, Committee Memberships/Chairmanships as on March 31, 2024			
		Directorships ¹	Number of Directorship(s) held in public listed companies	Committee Memberships ²	Committee Chairmanships ²
Shailesh Haribhakti*	Non-Executive Independent Chairman	10	6	10	5
Vir S Advani**	Chairman and Managing Director	3	1	0	0
B Thiagarajan	Managing Director	3	1	1	0
Sam Balsara	Independent Director	1	1	0	0
Anita Ramachandran	Independent Director	9	6	10	3
Anil Harish	Independent Director	4	3	4	4
Rajiv R Lulla	Non-Executive Director	1	1	1	0
Sunaina Murthy	Non-Executive Director	2	1	1	0
Arvind K Singhal	Independent Director	4	4	3	1
Dinesh N Vaswani	Non-Executive Director	1	1	0	0
G Murlidhar***	Independent Director	4	1	3	0
Vipin Sondhi***	Independent Director	2	2	0	0

¹Directorships 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.

²In 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.

*Shailesh Haribhakti ceased to be a Director of the Company with effect from March 31, 2024.

**Vir S Advani was appointed as the Chairman and Managing Director with effect from April 01, 2024.

***G Murlidhar and Vipin Sondhi were appointed as Independent Directors of the Company with effect from January 30, 2024.

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

Except Vir S Advani and Sunaina Murthy, who are related, none of the Directors is a relative of the other, as defined under the Act. Details of listed entity(ies) in which the Directors hold directorship(s) as on March 31, 2024, are as follows:

Name of Director	Name of Listed Entity(ies)	Category
Shailesh Haribhakti*	- Blue Star Limited	Independent Director
	- Torrent Pharmaceuticals Limited	Independent Director
	- L&T Finance Holdings Limited	Independent Director
	- Adani Total Gas Limited	Independent Director
	- Bajaj Electricals Limited	Independent Director
	- Protean eGov Technologies Limited	Non-Executive Director
Vir S Advani	- Blue Star Limited	Executive Promoter Director
B Thiagarajan	- Blue Star Limited	Executive Director
Sam Balsara	- Blue Star Limited	Independent Director
Anita Ramachandran	- Blue Star Limited	Independent Director
	- Grasim Industries Limited	Independent Director
	- FSN E-Commerce Ventures Limited	Independent Director
	- Ujjivan Small Finance Bank Limited	Independent Director
	- Happiest Minds Technologies Limited	Independent Director
	- Metropolis Healthcare Limited	Independent Director
Anil Harish	- Blue Star Limited	Independent Director
	- NDL Ventures Limited	Independent Director
	- Hinduja Global Solutions Limited	Independent Director
Rajiv R Lulla	- Blue Star Limited	Non-Executive Promoter Director
Sunaina Murthy	- Blue Star Limited	Non-Executive Promoter Director
Arvind K Singhal	- Blue Star Limited	Independent Director
	- Welspun India Limited	Independent Director
	- Greaves Cotton Limited	Independent Director
	- Metro Brands Limited	Independent Director
Dinesh N Vaswani	- Blue Star Limited	Non-Executive Promoter Director
G Murlidhar**	- Blue Star Limited	Independent Director
Vipin Sondhi**	- Blue Star Limited	Independent Director
	- Triveni Turbine Limited	Independent Director

*Shailesh Haribhakti ceased to be a Director of the Company with effect from March 31, 2024.

**G Murlidhar and Vipin Sondhi were appointed as Independent Directors of the Company with effect from January 30, 2024.

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 organisational conduct; Understand the key risks impacting the Company's businesses and contribute towards development of systems and controls for risk mitigation













Stakeholder Value Creation

Enable shareholder value creation while ensuring interventions that create a positive and sustainable impact on society

All these skills are adequately available with the Board members.

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

Name of Director	Area of Expertise				
	 Strategy & Business Planning	 Financial Acumen	 Human Capital	 Governance	 Stakeholder Value Creation
Shailesh Haribhakti*	✓	✓		✓	✓
Vir S Advani	✓	✓	✓	✓	✓
B Thiagarajan	✓	✓	✓	✓	✓
Sam Balsara	✓		✓	✓	

Name of Director	Area of Expertise				
	 Strategy & Business Planning	 Financial Acumen	 Human Capital	 Governance	 Stakeholder Value Creation
Anil Harish		✓		✓	✓
Anita Ramachandran			✓	✓	✓
Rajiv R Lulla	✓	✓		✓	✓
Sunaina Murthy			✓	✓	✓
Arvind K Singhal	✓	✓			✓
Dinesh N Vaswani	✓	✓		✓	✓
G Murlidhar**	✓	✓		✓	✓
Vipin Sondhi**	✓	✓		✓	✓

* Shailesh Haribhakti ceased to be the Director of the Company with effect from March 31, 2024.

** G Murlidhar and Vipin Sondhi were appointed as Independent Directors of the Company with effect from January 30, 2024.

CONFIRMATION ON INDEPENDENCE OF DIRECTORS

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

DETAILS OF RESIGNATION OF INDEPENDENT DIRECTOR

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A certificate from M/s N L Bhatia & Associates, Practicing Company Secretaries, 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 agenda and agenda notes are circulated to all the Directors well in advance. All the agenda items are backed by agenda notes and relevant supporting papers to ensure adequate flow of information from the Management, and to enable the Directors to have focused discussions at the meeting and take informed decisions. All relevant information as mentioned in Part A of Schedule II of the Listing Regulations were tabled before the Board. Agenda of the meetings and the supporting documents and information are circulated to the Directors on a board meeting application through a secure IT platform, to ensure integrity and confidentiality of data.

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

NUMBER OF MEETINGS HELD BY THE BOARD

During the financial year, the Board met five times. The meetings were held on May 4, 2023; August 3, 2023; October 30, 2023; January 30, 2024; and March 13, 2024. The gap between two consecutive Board meetings did not exceed 120 days.

The Company had convened its last Annual General Meeting on August 3, 2023.

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

Name of Director	Category	Attendance	
		Board Meeting	Last AGM (Y/N/NA)
Shailesh Haribhakti*	Non-Executive Independent Chairman	5	Y
Vir S Advani**	Chairman and Managing Director	5	Y
B Thiagarajan	Managing Director	5	Y
Sam Balsara	Independent Director	5	Y
Anita Ramachandran	Independent Director	5	Y
Anil Harish	Independent Director	5	Y
Rajiv R Lulla	Non-Executive Director	5	Y
Sunaina Murthy	Non-Executive Director	5	Y
Arvind K Singhal	Independent Director	5	Y
Dinesh N Vaswani	Non-Executive Director	5	Y
G Murlidhar ***	Independent Director	2	NA
Vipin Sondhi ***	Independent Director	2	NA

* Shailesh Haribhakti ceased to be the Director of the Company with effect from March 31, 2024.

**Vir S Advani was appointed as the Chairman and Managing Director with effect from April 01, 2024.

*** G Murlidhar and Vipin Sondhi were appointed as Independent Directors of the Company with effect from January 30, 2024.

FAMILIARISATION OF INDEPENDENT DIRECTORS

At the time of appointing a director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, duties and responsibilities as an Independent Director of the Company. 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. For this purpose, a structured questionnaire is

prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as structure and composition of the Board, 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.

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

In accordance with provisions of the Act and the Listing Regulations, a meeting of the Independent Directors of the Company was also held on March 27, 2024, to discuss the following for FY24:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Board, taking into account the views of Executive Directors and Non-Executive Directors; and

- Quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

CODE OF CONDUCT

While operating in a competitive and demanding market, the Company had published a comprehensive code of conduct for its Board members, employees of the Company, its subsidiaries and affiliate/joint venture companies and business partners 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, 2024. A declaration to the effect, confirming the same and signed by the Chairman & Managing Director of the Company, forms part of this Report. In addition, adherence to the Code of Conduct has also been made applicable to the business partners, viz, dealers, distributors, vendors, and service providers.

The Company's Code of Conduct is available on the website of the Company under the weblink at:

<https://www.bluestarindia.com/media/271526/code-of-conduct.pdf>

CORPORATE SAFETY POLICY

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

COMMITTEES OF THE BOARD

The Committees of the Board include the Audit Committee, Nomination and Remuneration Committee, Investor Grievance cum Stakeholders' Relationship Committee, Corporate Social Responsibility and Environmental, Social and Governance Committee, Risk Management Committee, Executive Management Committee, Share Transfer Committee, and Debenture 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, 2024, the Committee comprised four directors:

- Anil Harish, Chairman, Independent Director





- B Thiagarajan, Managing Director
- Shailesh Haribhakti, Independent Director (ceased to be a Director w.e.f. March 31, 2024)
- Arvind K Singhal, Independent Director

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

MEETINGS HELD BY THE AUDIT COMMITTEE

During the financial year, this Committee met five times. The meetings were held on May 4, 2023; August 3, 2023; October 30, 2023; January 29, 2024; and March 12, 2024.

The attendance of the Committee members is given below:

Name of the Member	No. of meetings attended
Anil Harish	5 
B Thiagarajan	5 
Shailesh Haribhakti	5 
Arvind K Singhal	5 

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

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

TERMS OF REFERENCE

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

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

- f) Disclosures in financial statements, including related party transactions.
 - g) Modified opinion(s) in the draft Audit Report, if any.
4. Review any accounting adjustments that were noted or proposed by the statutory auditors but were not passed (as immaterial or otherwise).
 5. Review with the Management quarterly financial statements before submission to the Board for approval.
 6. Review with the Management, statement of use/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public issue or rights issue, and make appropriate recommendations to the Board to take steps in the matter whenever such fund raising happens.
 7. Review and monitor the auditors' independence and performance, and effectiveness of audit processes.
 8. Approve or any subsequent modification of transactions of the Company with the related parties.
 9. Scrutinise inter-corporate loans and investments.
 10. Conduct valuation of undertakings or assets of the Company, wherever it is necessary.
 11. Evaluate internal financial controls and risk management systems.
 12. Review with the Management the performance of statutory and internal auditors, and adequacy of the internal control systems.
 13. Review the adequacy of internal audit function, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
 14. Discuss with internal auditors any significant findings and follow up thereon.
 15. Review the findings of any internal investigations by the internal auditors in the matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.

16. Discuss with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
17. Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, stakeholders (in case of non-payment of declared dividends) and creditors.
18. Approve appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
19. Review the functioning of the whistle blower mechanism.
20. Review the utilisation 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, 2024, the Committee comprised four directors:

- Sam Balsara, Chairman, Independent Director
- Anita Ramachandran, Independent Director
- Dinesh N Vaswani, Non-Executive Director
- Shailesh Haribhakti, Independent Director
(ceased to be a Director w.e.f. March 31, 2024)

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

MEETINGS HELD BY THE NOMINATION AND REMUNERATION COMMITTEE

During the financial year, the Committee met thrice. The meetings were held on April 26, 2023; December 5, 2023; and January 29, 2024.

The attendance of the Committee members is given below:

Name of the Member	No. of meetings attended	
Sam Balsara	3	● ● ●
Anita Ramachandran	3	● ● ●
Dinesh N Vaswani	3	● ● ●
Shailesh Haribhakti	3	● ● ●

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 commission and performance-linked incentives (variable component) to its Managing Directors. Annual increments are decided by the Nomination and Remuneration Committee, within the salary scale approved by the members of the Company. The Nomination and Remuneration Committee recommends to the Board the remuneration payable to the Managing Directors out of the net profits for the financial year, and within the ceilings prescribed under the Act, based on their performance and the performance of the Company. Services of the Managing 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 Non-Executive Directors are paid, in addition to sitting fees, a commission not exceeding 1% of the net profits of the Company, in accordance with the Act and Nomination and Remuneration Policy 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 Managing Directors was within the limits approved by the shareholders by way of special resolutions at the 72nd Annual General Meeting held on August 6, 2020.

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
Shailesh Haribhakti*	-	-	-	52.44	-	10.25	62.69
Vir S Advani	135.62	43.14	271.24	674.16	-	-	1124.16
B Thiagarajan	135.62	43.14	271.24	674.16	-	-	1124.16
Sam Balsara	-	-	-	26.22	-	6.50	32.72
Anil Harish	-	-	-	26.22	-	9.00	35.22
Rajiv R Lulla	-	-	-	26.22	-	5.75	31.97
Sunaina Murthy	-	-	-	26.22	-	5.75	31.97
Arvind K Singhal	-	-	-	26.22	-	9.00	35.22
Dinesh N Vaswani	-	-	-	26.22	-	6.00	32.22
Anita Ramachandran	-	-	-	26.22	-	7.50	33.72
G Murlidhar**	-	-	-	4.37	-	2.00	6.37
Vipin Sondhi**	-	-	-	4.37	-	2.00	6.37

* Shailesh Haribhakti ceased to be a Director of the Company with effect from March 31, 2024.

** G Murlidhar and Vipin Sondhi were appointed as Independent Directors of the Company with effect from January 30, 2024.

DIRECTOR SHAREHOLDING IN THE COMPANY

AS ON MARCH 31, 2024

Name of Director	No. of Shares	Percentage (%)
Shailesh Haribhakti*	-	-
Vir S Advani	21,49,250	1.05
B Thiagarajan	1,45,600	0.07
Sam Balsara	21,132	0.01
Anita Ramachandran	-	-
Anil Harish	-	-
Rajiv R Lulla	-	-
Sunaina Murthy	21,45,050	1.04
Arvind K Singhal	-	-
Dinesh N Vaswani	53,888	0.03
G Murlidhar	-	-
Vipin Sondhi	-	-
Total	45,14,920	2.20

* Shailesh Haribhakti ceased to be the Director of the Company with effect from March 31, 2024.



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, 2024, the Committee comprised three directors:

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

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

MEETINGS HELD BY THE INVESTOR GRIEVANCE CUM STAKEHOLDERS’ RELATIONSHIP COMMITTEE

During the financial year, the Committee met twice. The meetings were held on August 17, 2023, and March 27, 2024.

The attendance of the Committee members is given below:

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

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

TERMS OF REFERENCE

1. Resolve the grievances of the security holders of the Company (including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings).
2. Review measures taken for effective exercise of voting rights by the shareholders.
3. Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent (RTA).
4. Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.
5. Review and monitor the timely transfer of the unclaimed dividend and equity shares to the Investor Education and Protection Fund (IEPF) pursuant to the relevant statutory provisions.
6. Review the Company’s share price movements in relation to the benchmarks and monitor material share trading

transactions undertaken by Institutional Investors involving the Company's shares.

7. Review Analysts' recommendations on the Company's stock, ensure that the management regularly holds meetings with the Fund Managers and Analysts and major concerns reported by the Fund Managers and Analysts are reviewed.
8. Review resolution of shareholders complaints.
9. Monitor investor's relations initiatives and provide an update to the Board on a half yearly basis about various activities and measures undertaken by the Company.
10. Review the outcome and response arising from various press clippings, press conference, TV interviews and formal media interaction from time to time.

11. Review adequacy of the Committee charter and recommend changes to the Board from time to time.

INVESTORS' COMPLAINTS

During the year under review, the Company received 17 complaints and all the complaints were resolved to the satisfaction of the shareholders. There were no complaints pending for resolution as on March 31, 2024. The complaints received from the investors were mainly pertaining to non-receipt of dividend and share certificates, etc.

COMPLIANCE OFFICER

Rajesh Parte
Company Secretary & Compliance Officer
Tel: 022 6654 4000
Email: investorcomplaints@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, 2024, the Committee comprised three directors:

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

MEETINGS HELD BY THE CSR & ESG COMMITTEE

During the financial year, the Committee met twice. The meetings were held on May 2, 2023, and December 6, 2023.

The attendance of the Committee members is given below:

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

TERMS OF REFERENCE

1. Formulate and recommend to the Board a CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred on the CSR activities.
3. Monitor the CSR Policy of the Company from time to time.
4. Monitor the execution of sustainability strategy including Net Zero mission.
5. Oversee communication of sustainability activities with stakeholders.
6. Provide input to the Board and other Board Committees on ESG matters.
7. Approving the Business Responsibility and Sustainability Report.

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



E. RISK MANAGEMENT COMMITTEE

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

As on March 31, 2024, the Committee comprised four directors:

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

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

MEETINGS HELD BY THE RISK MANAGEMENT COMMITTEE

During the financial year, the Committee met twice. The meeting was held on August 17, 2023 and December 11, 2023.

The attendance of the Committee members is given below:

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

The gap between two consecutive meetings did not exceed 180 days.

TERMS OF REFERENCE

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



F. EXECUTIVE MANAGEMENT COMMITTEE

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

As on March 31, 2024, the Committee comprised two directors:

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

During the financial year, the Committee met thirteen times. The meetings were held on April 3, 2023; May 5, 2023; May 31, 2023; June 21, 2023; August 4, 2023; August 23, 2023; September 18, 2023; twice on September 22, 2023; October 23, 2023; November 8, 2023; December 5, 2023 and January 30, 2024.

All the meetings were attended by both the members.



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, 2024, the Committee comprised two directors:

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

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



H. DEBENTURE COMMITTEE

The Debenture Committee was constituted by the Board of Directors on April 30, 2020, to look after all the matters relating to the issuance and redemption of Non-Convertible Debentures.

As on March 31, 2024, the Committee comprised two directors:

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

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

SENIOR MANAGEMENT PERSONNEL

As per the Regulation 16(1)(d) of Listing Regulations, the Senior Management Personnel of the Company as on March 31, 2024 are as below:

Sr. No.	Name	Designation
1	Mr P V Rao	President & Chief Operating Officer – Electro-Mechanical Projects & Air Conditioning Solutions Group (EMACS)
2	Mr Shashi Arora*	President & Chief Operating Officer - Cooling & Purifications Appliances Group (CPAG)
3	Mr Nikhil Sohoni	Group Chief Financial Officer
4	Mr V S Ashok	Chief Human Resources Officer
5	Mr Rajesh Parte	Company Secretary & Compliance Officer

*Mr Shashi Arora vide his letter dated March 12, 2024 tendered his resignation which was effective from close of business hours on April 30, 2024.

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

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

<https://www.bluestarindia.com/media/6013/code-of-conduct-insider-trading.pdf>

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

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

SUBSIDIARY COMPANIES

Blue Star Engineering & Electronics Limited, Blue Star Climatech Limited, Blue Star Qatar WLL, Blue Star International FZCO, Blue Star Systems and Solutions LLC, UAE, BSL AC&R (Singapore) Pte Ltd, Blue Star North America Inc., Blue Star Europe B.V., Blue Star Innovation Japan LLC and Blue Star Air Conditioning & Refrigeration (U) Limited are the ten subsidiaries of the Company. During the financial year, none of the Subsidiaries have exceeded the threshold of 20% of consolidated income or net worth

determining the materiality for appointment of an Independent Director of the Company on the board of the material unlisted subsidiary as per Regulation 24 of the Listing Regulations.

During the year, Blue Star Engineering & Electronics Limited, a wholly owned subsidiary of the Company, was a material unlisted subsidiary of the Company as per Regulation 16 of the Listing Regulations; however, it has not exceeded the above-mentioned threshold. The financial performance, minutes of Board Meetings of the subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board of Directors of the Company.

Blue Star Engineering & Electronics Limited was incorporated under the Companies Act, 1956 on June 22, 2010, 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 Engineering & Electronics Limited is currently engaged in the business of heating, ventilation and air-conditioning system, refrigeration system, mechanical, electrical and plumbing system and other related products for all type of industrial, commercial, residential and such other projects and establishments of whatsoever nature. M/s. Deloitte Haskins & Sells LLP were appointed as the Statutory Auditors on July 25, 2018 and further re-appointed on May 15, 2023.

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-subsiidiaries-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 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. During the year under review, the CRM Policy was amended to widen the platforms on which the Company can hedge its commodity exposure. The Company has also laid out a well-defined foreign currency risk management policy which ensures proactive and regular monitoring and managing of foreign currency exposures undertaken in the normal course of the Company's business operations. The foreign currency risk management policy of the Company defines limits

for uncovered exposures, management of portfolio level currency risk exposure and also the criteria for determining stop loss action triggers. The Company uses foreign exchange forward and options contracts to hedge forex exposures. The hedging strategy is to gear towards managing currency fluctuation risk within predefined risk appetites, while complying with the applicable guidelines, rules, regulations and other statutory compliances. The Company does not use foreign exchange forward and options contracts for trading or speculative purposes. Forward and options contracts are fair valued at each reporting date. The resultant gain or loss from these transactions is recognised in the Statement of Profit and Loss.

The Company mitigates commodity price risk by entering into appropriate rate contracts with major suppliers which factors in price commitments for a time period by the suppliers. This approach provides sufficient mitigation against volatility in commodity rates. Disclosure pursuant to SEBI circular dated November 15, 2018, is as below:

Commodity Name	Exposure (₹ in crores)	Exposure in quantity (MT)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Copper	423	5192	-	-	4.82	-	4.82
Aluminium	124	3824	-	-	-	-	-

LARGE CORPORATE DISCLOSURE

In accordance with the SEBI Operational Circular dated April 13, 2022, the Company was a 'Large Corporate' for the financial year ended March 31, 2023 and accordingly, was required to ensure that, in the event of any incremental borrowings made in the subsequent financial year (FY24), 25% of such incremental borrowings is made by way of issuance of debt securities over a contiguous block of two financial years i.e. FY24 and FY25.

The incremental borrowing of the Company during FY24 was ₹ 150 crores, requiring ₹ 37.50 crores to be borrowed by way of issuance of debt securities before FY25.

SEBI vide its circular dated October 19, 2023 has amended the criteria for classifying a company as Large Corporate and has clarified that the companies categorised as Large Corporate in accordance with earlier SEBI Operational Circular dated April 13, 2022 shall endeavor to raise 25% of their incremental borrowings by way of issuance of debt securities till March 31, 2024.

Since the Company had raised an amount of ₹ 1,000 Crore through QIP in September, 2023, there was no further requirement to borrow additional funds by way of issuance of debt till March 31, 2024.

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

During the year, the Company received two complaints of which one complaint was disposed of and one complaint, received in the end of March, 2024, was pending for investigation. The one pending complaint was resolved after the close of financial year.

OTHER DISCLOSURES

- The details of transactions with related parties are given in note no. 39 to the standalone financial statements for the year ended March 31, 2024. 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 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.
- The Company has complied with all the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of Listing Regulations. The Company has

also complied with the discretionary requirements such as ensuring financial statements with unmodified audit opinion and reporting of internal auditor directly to the Audit Committee.

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 and directors 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 2023-24, the Company had raised funds through issue of equity shares via Qualified Institutions Placement (QIP) to Qualified Institutional Buyers for an aggregate amount of ₹ 1,000 crores. The use/ application of proceeds/funds raised from the QIP are reviewed by Audit Committee as part of quarterly review of financial results and the details are also filed with the Stock Exchanges on
9. 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:

a quarterly basis, pursuant to Regulation 32 of the Listing Regulations. During the year under review, the Company has utilised ₹ 970.48 crores (including ₹ 18.22 crores towards issue expenses) and balance amount has been kept in mutual funds and fixed deposits.

Further, the Company had, in the year 2020-21, issued 3,500, 7.65% Unsecured, Listed, Rated and Redeemable Non-convertible Debentures of ₹ 10,00,000/- each aggregating to ₹ 350 crores in two series of 1,750 each. Series II was redeemed in the year 2022-23 whereas Series I was redeemed in the year 2023-24 along with interest accrued thereon. The Company affirms that there has been no deviation or variation in the utilisation of issue proceeds.

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 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.

(₹ in Crores)

Type of services	March 31, 2023	March 31, 2024
Audit fee	2.14	2.81
Limited review	0.34	0.38
Tax audit	0.10	0.11
Other services	0.64	0.52
Reimbursement of expenses	0.04	0.09
Certification fees for QIP related work*	-	2.06
Total	3.26	5.97

*Adjusted through Security Premium of the Company.

10. Disclosure by the Company and its subsidiaries of 'loans and advances' in the nature of loans to firms/companies in which Directors are interested by name and amount:

Name of Director	Name of Entity in which Interested (by virtue of Directorship therein)	Details of Loan and Advance		
		Nature of Loan & Advance	Balances as on March 31, 2024 (in ₹)	Maximum outstanding during the year (in ₹)
Mr Vir S Advani Mr B Thiagarajan	Blue Star Climatech Limited	Inter-Corporate Deposits placed by the Company	25,00,00,000	25,00,00,000
Mr Vir S Advani Mr B Thiagarajan	Blue Star Engineering & Electronics Limited	Inter-Corporate Deposits placed with the Company	85,00,00,000	120,00,00,000
Mr Vir S Advani Mr B Thiagarajan	Blue Star Engineering & Electronics Limited and Blue Star Climatech Limited	Inter-Corporate Deposits	35,00,00,000	35,00,00,000

Name of Director	Name of Entity in which Interested (by virtue of Directorship therein)	Details of Loan and Advance		
		Nature of Loan & Advance	Balances as on March 31, 2024 (in ₹)	Maximum outstanding during the year (in ₹)
Mr Vir S Advani Mr B Thiagarajan	Blue Star International FZCO and Blue Star Systems and Solutions LLC	Inter-Corporate Deposits	28,96,91,260	28,96,91,260

CONFIRMATION BY THE BOARD OF DIRECTORS ON ACCEPTANCE OF RECOMMENDATION OF MANDATORY COMMITTEES

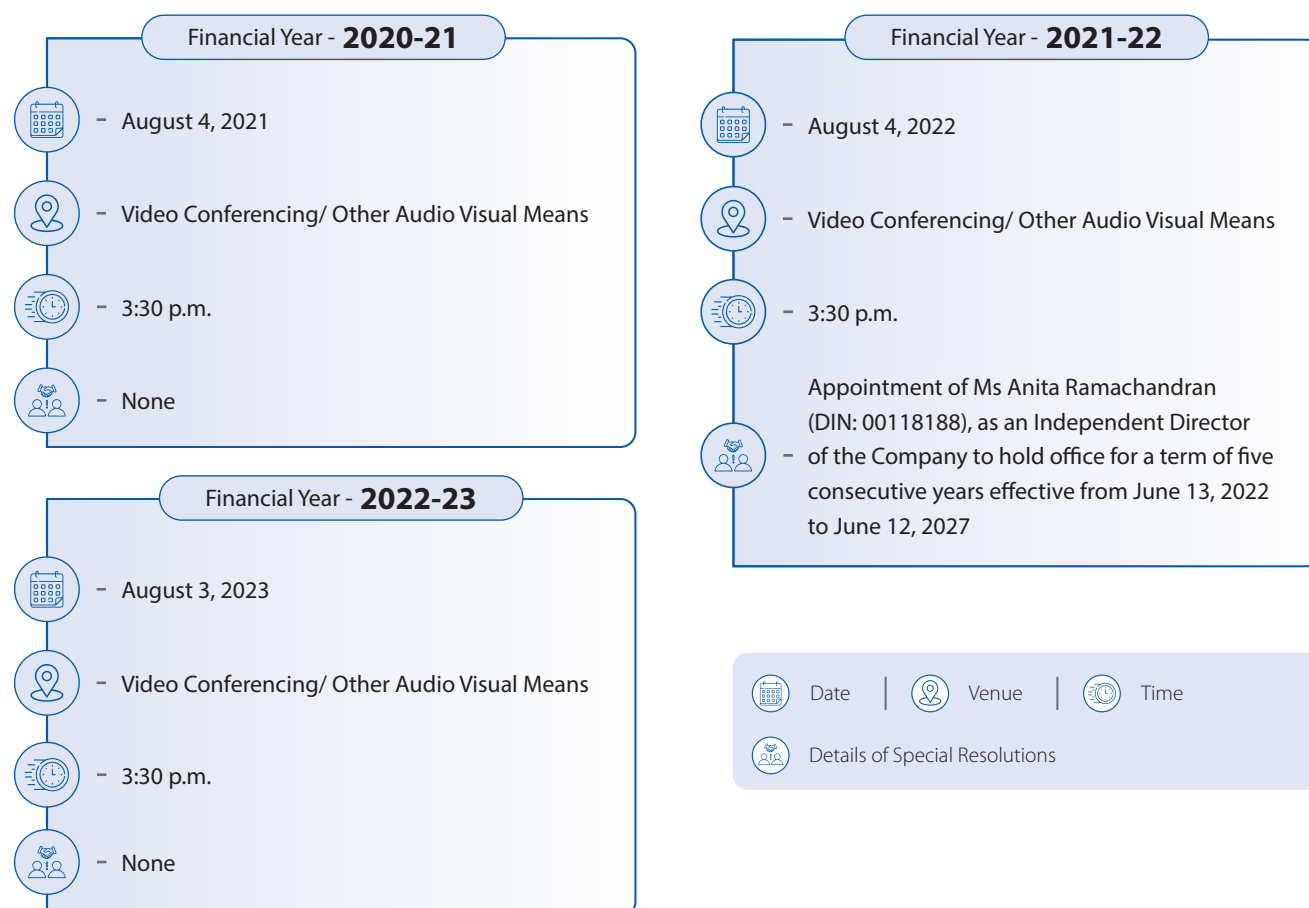
In accordance with the Listing Regulations, the Board of Directors confirms that during the financial year, it has accepted all the recommendations received from its mandatory committees.

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, 2024, for all the applicable compliance as per the SEBI Regulations/Circulars/Guidelines issued thereunder. The Company has engaged M/s N L Bhatia & Associates, Practicing Company Secretaries, 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:



POSTAL BALLOT

During the financial year 2023-24, special resolutions were passed through a Postal Ballot seeking members' approval. Details of these resolutions, along with their voting pattern, are provided below:

Postal Ballot No. 1

Date of Postal Ballot Notice: May 4, 2023

Cut-off Date: May 5, 2023

Voting Period: Wednesday, May 10, 2023 (9:00 hours IST) to Thursday, June 8, 2023 (17:00 hours IST)

Date of Declaration of Result: June 8, 2023

Date of passing the Resolution: June 8, 2023

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 Resolution:								
Approval for issue of Equity Bonus Shares	553	6,88,65,295	98.42	16	11,02,771	1.58	-	-
Special Resolution:								
Amendment of the Articles of Association of the Company	557	6,99,66,314	99.99	3	11	0.01	-	-

Postal Ballot No. 2

Date of Postal Ballot Notice: August 16, 2023

Cut-off Date: August 11, 2023

Voting Period: Thursday, August 17, 2023 (9:00 hours IST) to Friday, September 15, 2023 (17:00 hours IST).

Date of Declaration of Result: September 15, 2023

Date of passing the Resolution: September 15, 2023

VOTING PATTERN

Particulars	Votes in Favour			Votes Against			Invalid Votes	
	No. of members voted	No. of votes cast by them	% of total no. of votes	No. of members voted	No. of votes cast by them	% of total no. of votes	No. of members voted	No. of votes cast by them
Special Resolution:								
Issue securities for an aggregate consideration not exceeding ₹ 1,000 crores	688	14,26,50,548	99.99	29	3,435	0.01	-	-

Postal Ballot No. 3

Date of Postal Ballot Notice: December 19, 2023

Cut-off Date: December 15, 2023

Voting Period: Thursday, December 21, 2023 (9:00 hours IST) to Friday, January 19, 2024 (17:00 hours IST)

Date of Declaration of Result: January 19, 2024

Date of passing the Resolution: January 19, 2024

VOTING PATTERN

Particulars	Votes in Favour			Votes Against			Invalid Votes	
	No. of members voted	No. of votes cast by them	% of total no. of votes	No. of members voted	No. of votes cast by them	% of total no. of votes	No. of members voted	No. of votes cast by them
Special Resolution:								
Re-appointment of Mr Arvind Singhal (DIN: 00709084) as an Independent Director of the Company to hold office for a second consecutive term of five years commencing from February 5, 2024 to February 4, 2029	559	14,84,33,261	98.90	33	16,51,491	1.10	-	-

Postal Ballot No. 4

Date of Postal Ballot Notice: February 23, 2024

Cut-off Date: February 16, 2024

Voting Period: Monday, February 26, 2024 (9:00 hours IST) to Tuesday, March 26, 2024 (17:00 hours IST)

Date of Declaration of Result: March 26, 2024

Date of passing the Resolution: March 26, 2024

VOTING PATTERN

Particulars	Votes in Favour			Votes Against			Invalid Votes	
	No. of members voted	No. of votes cast by them	% of total no. of votes	No. of members voted	No. of votes cast by them	% of total no. of votes	No. of members voted	No. of votes cast by them
Special Resolutions:								
Appointment of Mr G Murlidhar (DIN: 03601196) as an Independent Director of the Company to hold office for a term of five consecutive years commencing from January 30, 2024 to January 29, 2029	652	15,17,86,341	99.69	28	4,70,478	0.31	-	-
Appointment of Mr Vipin Sondhi (DIN: 00327400) as an Independent Director of the Company to hold office for a term of five consecutive years commencing from January 30, 2024 to January 29, 2029	650	15,17,86,215	99.69	29	4,70,590	0.31	-	-

PROCEDURE FOR POSTAL BALLOT:

The Board of Directors had appointed Mr Bharat Upadhyay (Membership No. FCS 5436), and failing him Mr Bhaskar Upadhyay (Membership No. FCS 8663) of M/s N L Bhatia & Associates, Practicing Company Secretaries, as the Scrutiniser for conducting all the postal ballots through the Remote E-Voting process in a fair and transparent manner and following the provisions of the Companies Act, 2013 and the rules made thereunder.

In compliance with the provisions of Sections 108, 110, and other applicable provisions, if any, of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), Regulation 44 of the Listing Regulations, read with General Circular Nos.14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, read with other relevant circulars including General Circular Nos. 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 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 Members.

Further in compliance with the requirements of MCA circulars, the Company had sent Postal Ballot Notices by email to only those members who have their email addresses registered with Company/Depository Participants. The Postal Ballot Notices were sent by email to all those members 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, 2024 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, 2023	-	-
Fully paid-up Equity Shares of ₹ 2 each issued in the ratio of 1:1 as Bonus Shares during 2023-24	1,753	11,81,881
Letter of confirmation transferred to unclaimed suspense account during the year ended March 31, 2024	1	25
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, 2024	63	48,668
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended March 31, 2024	63	48,668
Number of shares transferred to IEPF authority from Unclaimed Suspense Account during the year ended March 31, 2024	-	-
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, 2024	1,691	11,33,238

The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

MEANS OF COMMUNICATION

The Company published its quarterly and half yearly results in the prescribed form within the prescribed time. The results were forthwith sent to the Stock Exchanges, where shares of the Company are listed and the same were published in The Economic Times, The Hindu Business Line and Mumbai Lakshdeep. The financial results are also displayed on the website of the Company

at www.bluestarindia.com. Official press releases also feature on the website of the Company.

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.

SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING:

Date	: August 6, 2024
Time	: 3:30 p.m.
Venue	: No physical meeting is required to be held as per the General Circular nos. 14/2020, 17/2020, 20/2020 and 09/2023 issued by MCA, the meeting will be held through Video Conferencing/Other Audio Visual Means.
Financial Year	: April 1, 2023 to March 31, 2024

FINANCIAL CALENDAR (PROVISIONAL):

Unaudited results for the quarter ending June 30, 2024	: August, 2024
Unaudited results for the quarter ending September 30, 2024	: November, 2024
Unaudited results for the quarter ending December 31, 2024	: January, 2025
Audited results for the year ending March 31, 2025	: May, 2025
Record Date	: July 19, 2024
Dividend Payment Date (if declared)	: on or after August 6, 2024
Listing on Stock Exchanges	: BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 National Stock Exchange of India Ltd Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Listing fees as applicable have been paid.
Stock Code	: BSE Limited – 500067 National Stock Exchange of India Ltd – BLUESTARCO
NSDL/CDSL – ISIN	: Equity - INE472A01039
Credit Rating obtained during the year	: Over the years, the Company has built robust relationships with a group of banks who have supported its growth. The Company regularly interacts with its bankers to update them about its financial performance and support required for growth. The Company has been prompt in servicing all its obligations and its covenants around lines of credit and borrowings. The Company's Commercial Paper has been rated 'A1+' by CARE and CRISIL. The Company's long-term rating is AA+ (Outlook: Stable) and its short-term facilities have been rated A1+.

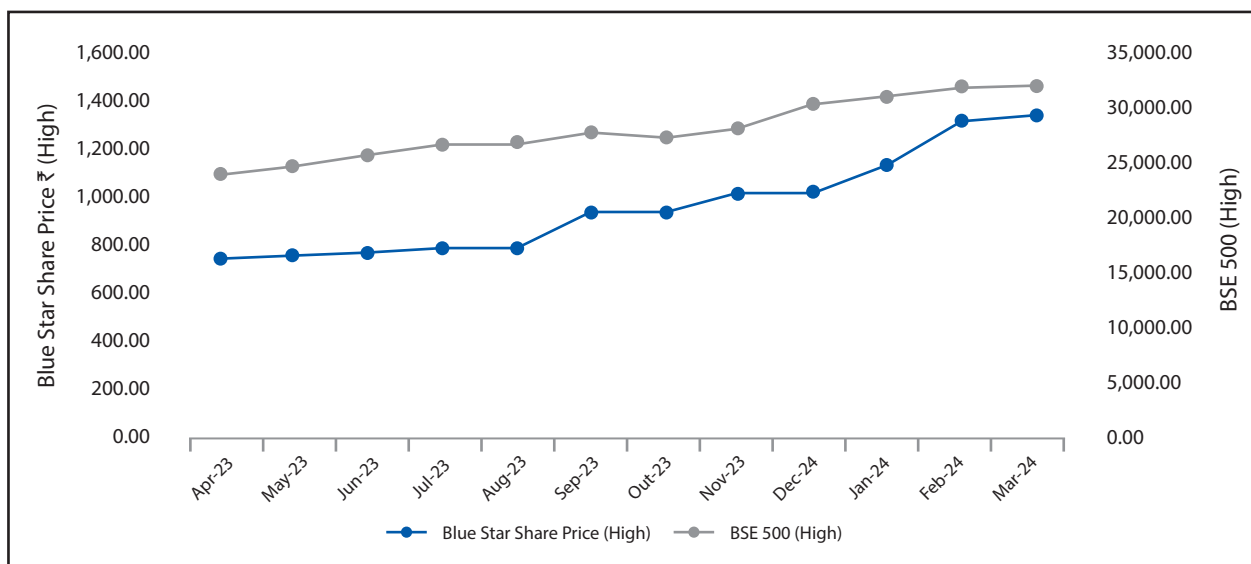
MARKET PRICE DATA

(₹ per share)

Financial Year	BSE Limited		National Stock Exchange of India Ltd	
	High	Low	High	Low
2023				
April	1,521.70	1,345.00	1,522.85	1,345.05
May	1,550.00	1,385.75	1,550.00	1,385.00
June*	1,554.40	757.55	1,560.00	758.00
July	804.60	756.10	809.40	761.20
August	804.55	702.00	805.00	701.70
September	950.00	728.05	950.00	728.05
October	954.00	853.05	955.00	814.00
November	1,025.00	888.45	1,025.50	888.45
December	1,037.00	901.05	1,038.00	901.55
2024				
January	1,150.00	930.00	1,150.00	929.90
February	1,332.80	1,127.35	1,333.00	1,127.45
March	1,358.65	1,222.00	1,359.00	1,222.40

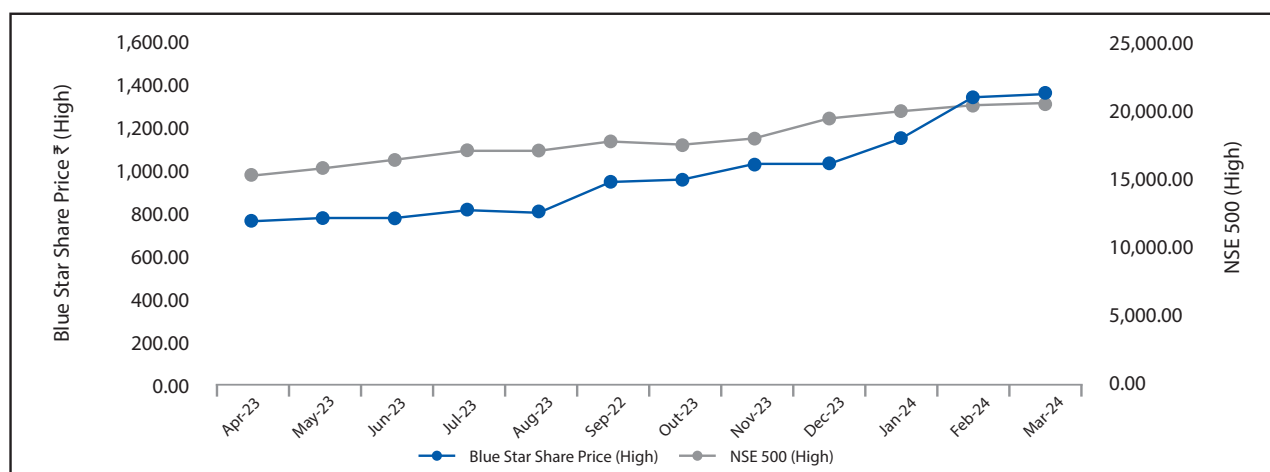
*The share price became ex-bonus from June 20, 2023.

PERFORMANCE - COMPARISON WITH BSE 500



Note: The share price became ex-bonus from June 20, 2023. To facilitate like-to-like comparison, Blue Star Share price from April to June 2023 has been adjusted as per bonus ratio i.e. 1:1

PERFORMANCE - COMPARISON WITH NSE 500



Note: The share price became ex-bonus from June 20, 2023. To facilitate like-to-like comparison, Blue Star Share price from April to June 2023 has been adjusted as per bonus ratio i.e. 1:1

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Tel: +91 22 4918 6000
Fax: +91 22 4918 6060
Email: rnt.helpdesk@linkintime.co.in

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Asian Building,
Ground floor 17,
R. Kamani Marg,
Ballard Estate, Mumbai 400 001
Tel: +91 22 4080 7000
Fax: +91 22 6631 1776
Email: itsl@idbitrustee.com; response@idbitrustee.com

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.

As mandated by SEBI, securities of the Company can be transferred/traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, renewal/exchange of securities certificate, endorsement, subdivision/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed only in dematerialised form. The necessary forms for the above request 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.

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 Members, the Company has sent periodical reminders to the Members, 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, Members will not be able to claim the same from the Company. However, pursuant to the aforesaid provision, the Members can claim their unclaimed dividends/shares transferred to IEPF, by making an online application to the IEPF Authority through Form IEPF-5 available on the website of the Authority www.iepf.gov.in.

The Company has appointed Rajesh Parte, Company Secretary & Compliance Officer as a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company under the weblink at: <https://www.bluestarindia.com/investors/shareholder-information>

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

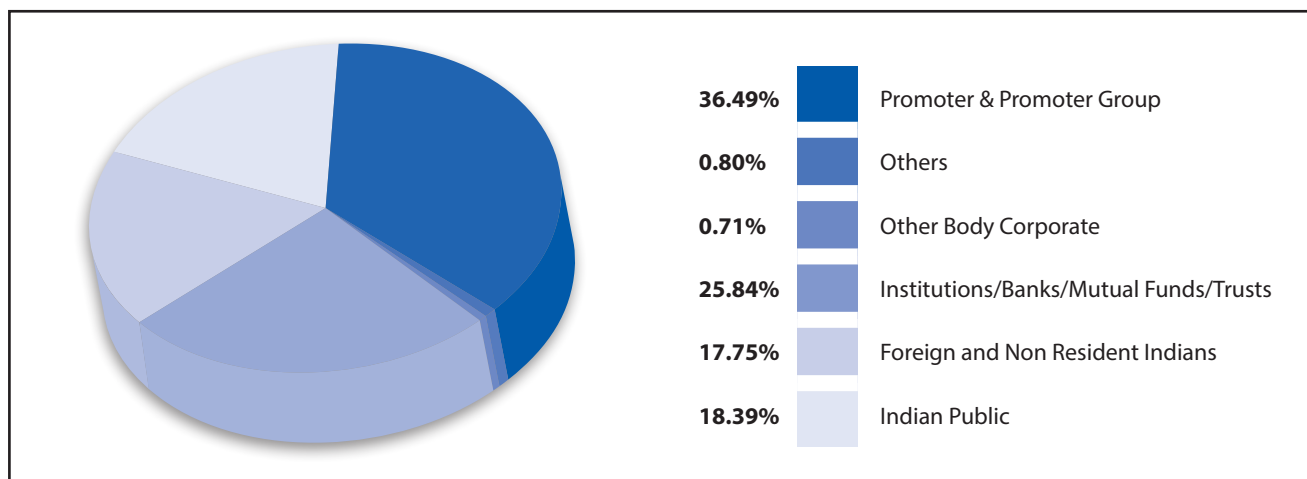
During the year under review, the Company has credited ₹ 56,82,127 as unpaid dividend, for the financial year 2015-16, lying in the unclaimed/unpaid dividend account to the IEPF.

In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the bankers to the dividend accounts opened by the Company for the earlier years have credited back the amount of dividend lying unpaid beyond the validity period into the relevant bank accounts. The Company has reconciled the dividend pertaining to the year 2015-16, which has been transferred to Investor Education and Protection Fund.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders (%)	Total No. of Shares held	Percentage of Shares held (%)
1 - 5000	73,136	97.91	1,27,90,151	6.22
5001 - 10000	729	0.98	52,14,667	2.54
10001 - 20000	382	0.51	52,53,499	2.55
20001 - 30000	119	0.16	29,34,306	1.43
30001 - 40000	59	0.08	20,68,643	1.01
40001 - 50000	37	0.05	16,78,231	0.82
50001 - 100000	74	0.10	54,60,307	2.66
100001 and above	162	0.21	17,02,14,984	82.77
TOTAL	74,698	100	20,56,14,788	100

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2024



DEMATERIALISATION OF SHARES & LIQUIDITY

As on March 31, 2024, 99.51% 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 Members 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.

PLANT LOCATIONS

Blue Star Limited
Village - Vasuri Khurd, Khanivali Road,
P O - Khupari
Taluka - Wada
Dist: Palghar 421 312

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

Blue Star Limited
Nahan Road,
Village Ogli, Kala Amb
Dist: Sirmour
Himachal Pradesh 173 030

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

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 M/s Deloitte Haskins & Sells LLP, Chartered Accountants, 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

For and on behalf of the Board of Directors

Vir S Advani

Chairman and Managing Director
(DIN: 01571278)

Date : May 2, 2024

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, 2024.

For **Blue Star Limited**

Vir S Advani

Chairman and Managing Director
(DIN: 01571278)

Date : May 2, 2024

Place : Mumbai

Corporate Governance Certification

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members,
Blue Star Limited
Kasturi Building,
Jamshedji Tata Road,
Mumbai 400020**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Blue Star Limited having CIN: L28920MH1949PLC006870** and having registered office at **Kasturi Buildings, Jamshedji Tata Road, Mumbai 400 020 (hereinafter referred to as "the Company")**, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation - 34(3) read with Schedule V Para C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the **Financial Year ended March 31, 2024**, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Vir S Advani	01571278	01/07/2010
2	B Thiagarajan	01790498	13/05/2013
3	Sam Balsara	00076942	20/06/2017
4	Anita Ramachandran	00118188	13/06/2022
5	Anil Harish	00001685	22/11/2017
6	Rajiv R Lulla	06384402	01/12/2016
7	Sunaina Murthy	07865860	01/04/2019
8	Arvind K Singhal	00709084	05/02/2019
9	Dinesh N Vaswani	00306990	01/12/2016
10	Vipin Sondhi	00327400	30/01/2024
11	G Murlidhar	03601196	30/01/2024
12	Shailesh Haribhakti*	00007347	04/08/2006

* Shailesh Haribhakti ceased to be a Director due to completion of his second term as an Independent Director on March 31, 2024.

Ensuring the eligibility of the Directors for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **N. L. Bhatia & Associates**
Practicing Company Secretaries
UIN: P1996MH055800
P/R No: 700/2020

Bharat Upadhyay
Partner
FCS: 5436
C.P. No. 4457
UDIN: F005436F000288675

Place : Mumbai
Date : May 2, 2024

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, 2024, 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 2023-24 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.

Date : May 2, 2024

Place : Mumbai

Vir S Advani

Chairman & Managing Director
(DIN: 01571278)

Nikhil Sohoni

Group Chief Financial Officer

Corporate Governance Certification

Auditor's Certificate

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

**The Members,
Blue Star Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated August 31, 2023.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Blue Star Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora

Partner
(Membership No. 100459)
(UDIN: 24100459BK FATC1315)

Place : Mumbai
Date : May 2, 2024

Management Discussion and Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

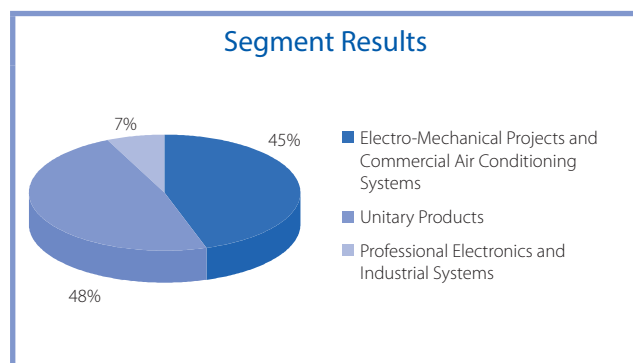
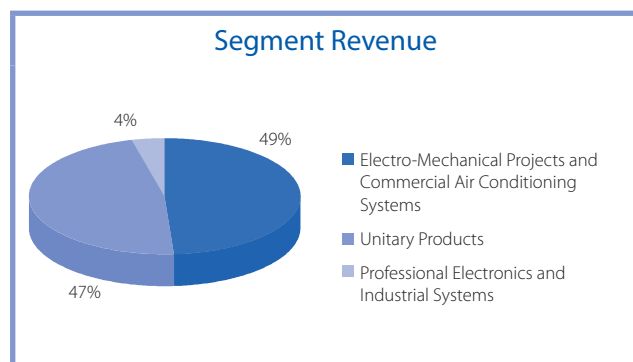
In the context of Blue Star's business operations and strategic proposition that are detailed in the Board's Report and Integrated Report, an in-depth analysis of the market environment, its operating businesses as well as financial performance are enumerated in the ensuing sections of this report.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Blue Star is a leading player in the Air Conditioning and Refrigeration industry, as well as the Mechanical, Electrical, Plumbing & Firefighting (MEP) industry in India. An overview of the industry and the current market dynamics are described in detail in the Integrated Report (refer Industry Structure and Developments covered in the Integrated Report on page no. 28).

SEGMENT-WISE ANALYSIS

The consolidated revenue and results break-up in terms of business segments for FY24 are as follows:



ELECTRO-MECHANICAL PROJECTS AND COMMERCIAL AIR CONDITIONING SYSTEMS

Electro-Mechanical Projects

The Electro-Mechanical Projects and Commercial Air Conditioning Systems business accounted for 49% of the Company's Revenue from Operations.

During FY24, the Electro-Mechanical Projects business witnessed a strong uptick in inquiries and order finalisations due to the Government's thrust on the 'Make in India' initiative, infrastructure development and enhanced private capex. The Company continued to secure healthy order inflows from across segments, including factories; data centres; malls; airports; IT/ITeS; hospitals; and offices. During FY24, the Company successfully entered the semiconductor segment by winning an HVAC order for India's largest semiconductor plant in Gujarat.

Blue Star, backed by its engineering prowess, proven project management expertise, and impressive track record of on-time/before-time completion of projects, remains committed to ensuring modern and best-in-class project management practices across projects executed by the Company. Blue Star's expertise in this area truly resonates with its value proposition of 'Superior Project Delivery through Intelligent Engineering, Modern Execution Practices, and Committed Teams', due to which the Company has been successful in executing many projects across diverse sectors such as healthcare; hospitality; airports; metro rail; IT parks; factories; data centres; and pharmaceuticals, to name a few.

Some of the eminent customers of the Electro-Mechanical Projects business during FY24 include names such as ST Telemedia; Nxtra Data Limited; Micron Semiconductor Plant through Tata Projects; Peerless Hospital; Jewar Airport; VR Mall; TCS; Godrej; Deloitte; Embassy Group; Medanta Hospital; V-Guard; Inorbit Mall; India's first Lithium-ion Battery Manufacturing Plant by Exide; Mobile phone manufacturing and assembly facilities by Tata Electronics; and Maruti's upcoming facility at Sonapat, to name a few.

Commercial Air Conditioning Systems

The Commercial Air Conditioning Systems business continued its growth in line with the market. The major contributions are from the Educational, Industrial and Government segments. The Company gained good traction in the indigenous manufactured centrifugal chillers business.

During the year, the business implemented various strategic initiatives, including new product positioning, total cost management, channel expansion and penetration in unrepresented territories.

The Company introduced a new range of Quality Control Order (QCO) compliant ducted systems and packaged units during the year and successfully migrated to QCO ducted systems from October 1, 2023, as per the Government norms. Blue Star launched a new range of star-rated scroll chillers at the beginning of 2023 and developed a complete range of screw chillers, which are compliant with the new star labelling norms effective from July 1, 2024.

The business undertook many strategic marketing initiatives to strengthen its brand equity, including participation in various coveted events such as ACREX 2024, the most prestigious event in the HVAC&R industry, held at Delhi and other major events such as Climate Conclave 2024 at Bengaluru; IGBC at Chennai; and ACETECH at Mumbai. Besides, to reward the dealer fraternity, the business also successfully conducted the 'Star League Awards' in Sydney, Australia where top-performing dealers from FY23 were recognised with Gold and Silver awards. In all, 39 top performing dealers from across India received prestigious awards for their exemplary performance.

The Company maintained its leadership position in the ducted air conditioning segment and remained in the top 3 in the VRF segment and chillers' product category. During the period under review, the Company's market share in VRF systems was 21% and in screw chillers, it was around 24%. The Company continued to dominate the ducted systems and scroll chillers categories with 46% and 45% market share respectively.

Some of the notable orders received by the business during the year were from Tata Electronics, Hosur; Emmvee Energy, Bengaluru; Foxconn Hon Hai Technology India Mega Development, Bengaluru; India Oil Corporation, Panipat; Geetanjali Hospital, Jaipur; Kalinga Institute of Information and Management Science, Bhubaneswar; Shiv Nadar School, Noida; Reliance Projects & Property Management, pan India; Avenue Supermarts Limited, pan India; RS Brothers Retail India Private Limited, Hyderabad; Shyam Group, Jamuria (West Bengal); and PES University, Bengaluru, amongst others.

International Business Group

The Company maintained its commitment to broaden its global reach by fortifying its position on the international stage.

Despite the global economic downturn, business activities in the Middle East markets remained resilient. The Company experienced growth across all sectors and regions, buoyed by heightened demand for its latest air conditioning and refrigeration offerings.

The project business in Qatar experienced a decline after FIFA's conclusion and a sluggish restart of Malaysian joint venture operations faced challenges amidst a slowdown in construction and order finalisations, reflecting weak macroeconomic conditions in the country. Overall, Blue Star remains optimistic about its prospects, driven by a positive economic forecast in the GCC region and its ongoing efforts to diversify its product line and explore new markets. The unitary and applied segment registered a growth of 19% and 23%, respectively, across the MEA region.

The Company continues to prioritise investments in R&D, product portfolio expansion, and brand enhancement across various markets.

UNITARY PRODUCTS

Room ACs

The Room Air Conditioners industry witnessed a tepid summer in 2023, especially in the North, where the weather was very pleasant and was frequented by unseasonal rains. Owing to this, the industry was flat in Q1FY24 as compared to the same period in the previous year. However, the industry grew well in the remaining quarters, and on a year-on-year basis eventually grew 20% owing to enhanced demand from first-time buyers and Tier 3, 4 and 5 markets. Blue Star performed better than the industry, thereby improving its market share to 13.75% in value terms.

Overall, the Company launched over 100 models across the spectrum of inverter, fixed speed, and window ACs, and across price points to cater to every consumer segment. The Company has launched three categories in the inverter split AC segment. These include flagship, premium and affordable ranges in 2-star, 3-star, and 5-star variants, which are available in various cooling capacities from 0.8 TR to 2.2 TR at attractive prices starting from ₹ 29,990.

The new ACs launched are embedded with various customer-friendly features. These include a new innovative feature called 'AI Pro', which is a complex and intuitive algorithm that senses various parameters, adjusts, and delivers maximum comfort. In addition, these comprise features such as 'Turbo Cool' for fast cooling; 'Convertible 6-in-1 cooling' where the customer can vary the cooling capacity upwards or downwards; and Nano BluProtect Technology and Hydrophilic 'Blue Fin' coating, for both IDUs and ODUs, to prevent coil corrosion and leakage and for longer life, respectively. Some other unique features include DigiQ penta sensors that deliver unparalleled accuracy and reliability; a 4-way swing for uniform cooling; high cooling performance for fast and effective cooling; precision cooling technology for setting temperature at every 0.5°C and a PM2.5 filter with activated carbon for clean air. All Blue Star inverter ACs are Smart Ready and can be upgraded to Smart ACs with the addition of a separate smart module. Another important aspect of Blue Star's inverter ACs is that they have a wide operating voltage range, thus eliminating the need for an external voltage stabiliser.

The Company has launched a formidable range of flagship models comprising 'Super Energy-Efficient ACs', 'Heavy-Duty ACs', 'Smart Wi-Fi ACs', 'Hot & Cold ACs' and 'ACs with Anti-Virus Technology'. Further, it has launched an 80th-year special edition AC to commemorate its legacy. This model is power-packed

with comprehensive technologies and boasts several innovative features, making it the most advanced air conditioner available in the country.

Blue Star's 'Super Energy-Efficient ACs' include a unique Dynamic Drive Technology to achieve enhanced energy-efficiency with optimised cooling by delivering high airflow volumes. As a result, the 1 TR Inverter Split ACs achieves a 6.25 ISEER, which is 64% more energy-efficient than a 3-star Inverter AC.

Every year, India witnesses a steady rise in temperatures across the country during peak summers. The Company's range of top-of-the-line 'Heavy-Duty ACs' designed with superior specifications are extremely powerful and can deliver faster cooling and comfort even at 56°C. These ACs also come with a powerful air throw of up to 55 feet and deliver 100% cooling capacity at even 43°C.

The Company has also rolled out one-of-a-kind 'Smart Wi-Fi ACs' which have unique and smart features such as 'Customised Sleep', where one can preset the temperature, fan speed, cool/fan mode and switch on/off the AC every hour for 12 hours for uninterrupted sleep. With Voice Command Technology, customers can operate their ACs through their smart devices, such as Amazon Alexa or Google Home, through English or Hindi voice commands.

'Hot & Cold ACs' are designed to provide comfort all year round. Blue Star has developed one model that can operate at ambient temperatures down to -10°C, specifically designed for markets such as Srinagar, and another range that can operate at ambient temperatures down to -2°C for locations in the rest of the country that face harsh winter.

Finally, the Company's new range that integrates comfort and health, 'ACs with Anti-Virus Technology', can effectively filter out harmful microbes and particulate matter. Customers can also operate these ACs as air purifiers, especially in the winter.

Blue Star's air conditioners, besides providing consumers with exceptional cooling even at affordable prices, are well-known for their quality, reliability, and durability.

The year marked the completion of Blue Star's 80 years of existence. To commemorate this momentous milestone, the Company launched a host of limited-period special consumer offers. These included an 80-month warranty, ₹ 80 per day EMI, ₹ 680 subsidised installation and several cashback and consumer finance offers on all ACs.

The Company continues to make aggressive strides in ecommerce and modern trade channels where it has been a prominent player and plans to sustain its investments in in-store demonstrators in

retail stores, as this has immensely helped in enhancing offtake. Besides, it continues to adopt appropriate promotional methods both online and offline, amplifying offtake across all tiers. The Company is also strengthening its distribution network, especially in the Northern Region.

Since the Company's foray into the residential AC segment in 2011, Blue Star has grown from strength to strength in this segment, outperforming the industry year after year. The Company targets to achieve a market share of 15% by FY26 in the Room Air Conditioners segment.

Air Coolers & Water Purifiers

The Company also launched a new range of air coolers with a unique Cross Drift Technology and Dual Cool Technology that help in faster cooling during harsh and dry summers. The range comes with different water tank capacities, from 10 litres to 140 litres and boasts of best-in-class cooling efficiency. During FY24, the Company added several distributors to make deeper inroads into this category.

During the year under review, Blue Star continued to make progress in its ecommerce-led distribution strategy for the Water Purifiers business.

Commercial Refrigeration

Commercial Refrigeration Products are divided into multiple solutions and categories: Merchandising solutions offer products like deep freezers, storage water coolers, visi coolers, bottled water dispensers, while other categories consist of Commercial Kitchen Refrigeration, Healthcare Refrigeration and Cold Storage Solutions.

Commercial Refrigeration Business demonstrated exceptional performance across all product categories throughout the review period. The financial year gained significant traction from the dairy, ice cream, hospitality, and healthcare segments. As travel and out-of-home consumption bounced back, Blue Star witnessed immense growth from segments such as hotels, restaurants, and quick service restaurants (QSRs) as well.

During the year, the Company launched indigenised range of best-in-class deep freezers, certified under the Quality Control Order (QCO) of the Government of India, and garnered excellent market acceptance. Blue Star's hard top and glass top deep freezers witnessed demand from ice cream and dairy segments. The Company secured orders for deep freezers from esteemed customers such as Havmor; Hocco; Vadilal; Amul; Mother Dairy; Dinshaw's; and Baskin Robbins, amongst others. The Company's state-of-the-art manufacturing plant for deep freezers at Wada is now operating at full capacity to cater to the market demands.

During the year, Blue Star launched a new series of visi coolers (tropical coolers) to enhance its market reach in the segment and gained significant traction. The demand for storage water coolers and bottled water dispensers increased significantly with the revival in demand from industries, educational institutions and restaurants. The cold room segment witnessed an uptick driven by enhanced demand from warehousing; logistics; dairy; ice cream; and pharma markets. Notably, the Company secured substantial cold room orders from industry giants such as Snowman; DHL; Delhivery; Bharat Biotech; Coke; Intas Pharma; and Zomato, marking its foray into the large cold storage business space.

The Company maintained its leadership position in the product categories of deep freezers, storage water coolers, and modular cold rooms and ensured significant growth coming from other set of categories. Blue Star continues to reinforce its strong market presence in the Commercial Refrigeration space. With a strong and diverse product range complemented by innovative solutions and an extensive pan-India sales and service network, the Company remains poised for continued growth.

PROFESSIONAL ELECTRONICS AND INDUSTRIAL SYSTEMS

For over seven decades, the Professional Electronics and Industrial Systems (PEIS) business has been managing the exclusive distribution in India of high-tech professional electronic equipment and services, as well as industrial products and systems, from many internationally renowned manufacturers. Over the years, the Company has significantly scaled up operations in this business and has moved up the value chain by changing its business model from being merely a distributor to that of a system integrator and value-added reseller. This business is handled by Blue Star Engineering & Electronics Limited, a wholly-owned subsidiary of the Company.

The PEIS business operates in three broad segments: MedTech Solutions; Data Security Solutions; and Industrial Solutions, which encompasses Material Testing; Non-Destructive Testing (NDT); Metrology; Warehouse Automation; and Electronics Assembly and Testing Solutions. The business has been successful in capturing the pulse of the market and has carved out a profitable niche for itself in most of the specialised markets that the Company operates in.

In FY24, the business maintained a steady performance in all its segments i.e., MedTech Solutions; Data Security Solutions; and Industrial. Despite facing challenges in the market landscape, it managed to tap every opportunity that came its way.

MedTech Solutions experienced a surge in momentum compared to previous years, driven by enhanced demand for diagnostic imaging equipment in smaller Indian towns. The Data Security sector thrived, buoyed by digitisation initiatives undertaken by major banks, certification authorities, telecom, and payment technology firms. Meanwhile, Industrial Solutions expanded its offerings and secured significant orders from the steel and pipe industries.

During the year under review, the business continued to realign its internal structure, focussing on key customer segments to accelerate growth. It intensified efforts in business development; marketing initiatives; brand-building; sales automation; service management; and project execution.

Blue Star Engineering & Electronics manages a cutting-edge medical diagnostic equipment refurbishment facility in Bhiwandi, Maharashtra. Spanning 40,000 sq. ft, this facility is well-equipped to refurbish various pre-owned medical diagnostic imaging systems, including MRI systems and CT scanners, further bolstering its commitment to excellence in healthcare.

MEDIUM-TERM AND LONG-TERM STRATEGY

Strategy formulation for the medium to long-term as well as its execution and review have always been a part of the Company's strategic planning process. The Board plays a key role in guiding and shaping the Company's medium to long-term strategy. The Company regularly monitors and evaluates its internal strategies vis-a-vis the dynamic external environment and also evaluates the key strategic risks and opportunities that impact the Company and its business (refer Strategy Planning and Development covered in the Integrated Report on page no. 87).

Financial Performance Analysis

Following are the financial highlights of the Company for the year ended March 31, 2024, on a consolidated basis:

During this year, the Company built on the momentum of the previous year and performed exceedingly well in terms of both revenue and profitability. Strong demand for its existing products and solutions, coupled with the successful launch of several new products across key segments, and a robust carried forward order book, enabled the Company to end the year on a high note.

Consolidated financial performance analysis is provided below:

1. Income

The Company posted a record revenue during the year on the back of strong performance by all businesses. With robust demand across segments, Blue Star ended the year on a strong note with the Total Income for the year ended

March 31, 2024, growing by 21.5% to ₹ 9,732.78 crores as compared to ₹ 8,008.19 crores in the previous year.

2. Cost of Sales, Work Bills and Services

The cost of sales, work bills and services during the year was ₹ 7,391.97 crores compared to ₹ 6,181.67 crores in the previous year. This cost declined to 76.3% of the Revenue from Operations compared to 77.5% in the previous year. Cost reduction initiatives, benign commodity prices and improved operational efficiencies helped in optimising the costs.

3. Employee Remuneration and Benefits

Employee cost for the year at ₹ 749.48 crores increased by 26.6% compared to ₹ 592.15 crores in the previous year, in line with the increase in scale and annual increments. Employee cost was 7.7% of the Total Income compared to 7.4% for the year ended March 31, 2023.

4. Operating and General Expenses

Operating and general expenses increased to ₹ 878.97 crores from ₹ 710.72 crores in the previous year. The increase was largely on account of increased selling, general and administrative expenses, to support revenue growth. As a percentage of Total Income, the operating and general expenses for the year were at 9.0% as compared to 8.9% in the previous year.

5. Finance Cost

Finance cost for the year was at ₹ 58.08 crores compared to ₹ 54.70 crores in the previous year. However, the finance cost for the year decreased to 0.6% of the Total Income compared to 0.7% in the previous year.

6. Depreciation

In mid of FY23, the Company changed to Straight Line Method (SLM) of depreciation accounting. Accordingly, depreciation charge for the whole of the current year is on SLM as against only 6 months of FY23. Depreciation charge for the year increased to ₹ 97.61 crores compared to ₹ 84.78 crores in the previous year. The increase is mainly attributed to higher capitalisation on account of the start of commercial production at Blue Star Climatech Limited during the year.

7. Profit Before Tax

Profit before tax and exceptional items for FY24 increased by 44.9% to ₹ 557.16 crores compared to ₹ 384.57 crores in FY23. Profit before tax and exceptional items improved to 5.7% of the Total Income compared to 4.8% in the previous year.

Key Financial Ratios

Sr. No.	Key Financial Ratios	UOM	FY23	FY24
1	Debtors Turnover Ratio	Times	5.8	5.5
2	Inventory Turnover Ratio	Times	4.8	5.2
3	Interest Coverage Ratio	Times	10.8	15.1
4	Current Ratio	Times	1.1	1.3
5	Debt Equity Ratio (Gross)	Times	0.4	0.1
6	Operating Profit Margin	%	6.2	6.9
7	Net Profit Margin*	%	4.8	5.7
8	Return on Net Worth*	%	23.0	21.0

*Net Profit Margin and Net Worth ratios have been computed based on Profit after Tax (before exceptional items).

Explanation for variation for 25% or more is in Key Financial Ratios:

Interest Coverage Ratio: This ratio improved to 15.1 (times) compared to 10.8 (times) in the previous year. The improvement is on the back of higher operating profits coupled with lower finance cost on account of QIP.

Debt Equity Ratio: QIP issuance has helped enhance equity based and lowered the debt levels resulting in improvement in debt equity ratio.

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 enhance the standards of controls and governance, the Company has adopted the COSO 2013 framework to ensure that robust internal financial controls exist in relation to operations, financial reporting and compliance. A well-established, independent, Internal Audit operates in line with the 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. During the year, as part of the Management's control testing initiative, the internal controls were tested and found effective.

RISKS AND CONCERNS

Risks

The primary operating risks that could impact the Company relate to a slowdown in the construction, environment and investment cycles; exposure to seasonality for some of its businesses like the sale of room air conditioners; competition from Indian and global players; volatile exchange rates; rising interest rates; credit risks; import dependence; procurement concentration risks; volatile

commodity prices; changes in tax and other legislations; inflation, especially in the case of fixed price contracts; environment; health and safety; exposure to frauds; inadequate cybersecurity and changes in technology, which impact the Company's product offerings. In addition, geo-political scenarios also pose a business continuity risk, apart from a general slowdown in the global and local economy which tends to intensify risks faced by the Company.

Blue Star lays great emphasis on Enterprise Risk Management and has put in place a robust system for risk identification, assessment and mitigation with strong internal controls, at both the business-groups and corporate level in line with the COSO 2017 Enterprise Risk Management framework. Significant risks across the entity are reviewed periodically by the Risk Management Committee. Further, the mitigation action plans are integrated with the strategy and performance management processes, and with the internal audit plans (refer Risks and Mitigation Strategies covered in the Integrated Report on page no. 110).

Concerns

A confluence of factors on the global and local fronts, such as geo-political equations between countries, the usage of tariff and non-tariff barriers to address trade imbalances and volatility in the prices of crude oil, commodities, currency, and ocean freight, could impact consumer confidence. The Company will continue to closely monitor the macro and micro level trends in the global and Indian economy and will take necessary steps to address these challenges.

OPPORTUNITIES

The Company's proven ability to innovate and offer products/solutions in line with the evolving dynamics continues to provide the Company with opportunities to grow. These are opportunities related to the Company's products, projects and service businesses for varied sectors, and have been elaborated in the Integrated Report (refer Opportunities covered in the Integrated Report on page no. 117).

HUMAN RESOURCES

The Human Resources function in Blue Star has always focussed on industry-aligned, people-centric policies and processes while being quick to adopt technological interventions for agility and enhanced productivity. The balance between strong human connection and easy-to-use, self-serviced portals has been the bedrock of people interventions. The Company had a total of 2,815 permanent employees on its rolls as on March 31, 2024.

The focus areas in the year under review were to attract and develop talent, manage, and reward performance, and optimise workforce strategies. Voluntary attrition reduced to 15.6% in FY24 from 18.4% in FY23.

The Human Resources teams in offices and factories ensured widely shared feelings of well-being and cohesion across the workforce with a plethora of planned engagements. Business-specific interventions, based on the 'Great Place to Work' survey conducted in January 2023, gained momentum during the year. 'Synergy', a tailored initiative, encompassing meaningful connect and engagement as well as capability building for both on-roll and off-roll staff at project sites met with resounding success. The implementation of employee engagement initiatives such as 'Sparsh' and 'Kutumb' tailored for the spouses of workmen (operators), inviting them to the factory for an orientation on the history, values and culture of Blue Star and expressing gratitude for their support, has profoundly enhanced the assimilation of the organisational culture beyond employees and fostered stronger bonds with workmen colleagues. By extending such invitations, the Company not only acknowledged the pivotal role spouses play in supporting workers but also demonstrated a genuine commitment to their well-being. Conducting 'Drishtikon' - an engagement survey tailored for the industrious workmen reflects Blue Star's earnest commitment to understanding their concerns firsthand as well as in soliciting suggestions to enhance the working conditions. The results of the survey have been diligently analysed and shared with the plant leadership team, signifying the organisation's transparency and accountability in addressing employee concerns. Moving forward, actionable insights gleaned from the survey will inform the development of comprehensive action plans aimed at addressing identified issues and implementing improvements.

A collaboration titled 'Star Tech' for technical training between Blue Star and COEP Technological University Pune has been a significant initiative in the year, demonstrating the Company's capability-building endeavours. This was spearheaded by a cross-functional team dedicated to crafting a curriculum aligned with industry needs. As a result, employees have been able to leverage their training to address operational challenges, drive efficiency improvements and pioneer best practices, thereby propelling the organisation towards sustained growth and success.

As Blue Star endeavours to be a continually learning organisation, the Academy of Leadership Development clocked an average of 16 hours per employee whilst the Academy of Technical and Functional Excellence clocked an average of 9 hours/employee and 7 hours/channel partner. Programmes run during the year include 'Emerging Managers Programme'; 'Senior Managers

Programme' and 'SPARK' for middle-level managers. These initiatives focussed on building the related competencies for enhanced efficiency in managerial roles. Succession planning for critical roles and career pathing for high potential employees were pursued. 'StarLead', a signature intervention with immersive learning sessions for a systematically shortlisted, top talent cohort across businesses and enabling functions was rolled out to develop earmarked competencies in young leaders for the near future. Recognising the significance of cross-functional mentorship in fostering talent development within the organisation, an internal mentoring programme, 'Ignite Your SPARK' was initiated during the year.

Gender Diversity improved from 9.1% in FY23 to 10.6% in FY24, with targeted initiatives for women employees. Workplace flexibility, internal and external professional engagements, childcare policy, the 'Women for Women' support group and second career opportunities under 'Begin Again' proved to be effective towards this objective. Being mindful of gender biases during hiring and role allocations, an ecosystem with high psychological safety, gender-friendly initiatives, celebrating success stories of women leaders as well as listening circles for women were significant initiatives during the year. Blue Star is actively focussing on the development of women managers and leaders, offering them both internal and external growth opportunities. Their participation in numerous external learning platforms has consistently showcased Blue Star's excellence through their remarkable achievements. Blue Star is amongst the top 51 allies in 2023 in the '1000 Women Leaders Movement' by Jombay.

Blue Star has engaged with social media platforms to create a strong employer brand through an intriguing showcase of initiatives, spanning engagement activities, recognition of innovation at work and laudable achievements through a systematic reward and recognition system as well as customised people programmes to suit respective business needs. These narratives spoke of widely shared feelings of well-being and cohesion across the workforce. Blue Star continued to lead the Glassdoor rating for the 6th consecutive quarter.

CORPORATE OUTLOOK

The Company reported a stellar performance in FY24 on the back of robust demand across businesses and geographies, buoyant festive seasons and new product launches. During the year, the Company continued to invest in the expansion of its distribution network, enhancing R&D by establishing an R&D centre in Japan and increasing manufacturing capabilities, which are helping to strengthen brand recognition. Fundraising through the Qualified Institutional Placement (QIP) route has helped fund some of these initiatives as well as strengthened the Balance Sheet profile. Given the changing weather pattern, resulting in hotter summers coupled with new and resilient product portfolio in residential and commercial air-conditioning and refrigeration, the Company is optimistic about its future business outlook. In FY25, the Company will continue to focus on growing faster than the market, margin improvement initiatives through a comprehensive Total Cost Management programme, prudent management on financial capital, leadership development and succession planning.

The Dynamics of Blue Star's Growth

5 YEAR CONSOLIDATED FINANCIAL HIGHLIGHTS

		2023-24	2022-23	2021-22	2020-21	2019-20
OPERATING RESULTS						
Total Income *	₹ Crores	9,732.78	8,008.19	6,099.80	4,336.68	5,420.10
EBITDA (before exceptional items excluding other income & Finance income)	"	664.94	492.78	346.47	239.81	282.78
Profit for the year after tax	"	414.31	400.69	168.00	100.66	143.70
Dividend (Including corporate dividend tax)	"	143.93	115.58	96.30	38.53	116.11
FINANCIAL POSITION						
Share Capital [^]	₹ Crores	41.12	19.26	19.26	19.26	19.26
Shareholders' Funds	"	2,612.63	1,333.84	1,020.54	887.86	784.67
Net Borrowings / (Net cash balance)	"	(455.93)	208.41	71.41	(149.30)	166.44
Net Capital Employed		2,156.40	1,534.31	1,064.39	691.07	869.36
PERFORMANCE INDICATORS						
Revenue Growth	%	21.5	31.3	40.7	(20.0)	2.7
Gross Margin	%	23.7	22.5	21.9	23.2	25.0
EBITDA Margin (before exceptional items excluding other income & Finance income)	%	6.9	6.2	5.7	5.6	5.3
Earnings per Share [^]	₹	20.8	20.8	8.7	5.2	7.4
Dividend per Share [^]	₹	7.0	6.0	5.0	2.0	5.0
Book Value per Equity Share [^]	₹	127.1	64.9	49.6	43.2	38.2
Debt Equity Ratio (Net)	Ratio	NA	0.16	0.07	NA	0.21
Capital Turnover Ratio	Ratio	5.2	6.1	6.9	5.5	5.7
Return on Shareholders' Funds ^{**}	%	21.0	23.0	17.9	11.9	17.2
Return on Capital Employed ^{**}	%	33.3	33.8	33.7	26.9	25.4
OTHER INFORMATION						
Number of Shareholders	Nos.	74,698	56,940	56,504	54,876	53,647
Number of Employees	"	3,465	3,132	2,723	2,621	2,885

Note :

* Previous year figures have been regrouped wherever necessary to make them comparable with current year numbers.

** Ratios calculated basis PAT (before exceptional items) and average Capital Employed / Net Worth for the year.

[^] The Company has issued 1:1 bonus shares on June 20, 2023. To facilitate like-to-like comparison, ratios for previous years have been adjusted as per bonus ratio.

Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Reporting (BRSR) involves companies disclosing their environmental, social, and governance (ESG) performance, extending beyond mere financial reporting to offer stakeholders a detailed view of their non-financial impacts and sustainable development contributions. As mandated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this report provides general information about the company and its responsibilities. It includes three key sections that align with the BRSR framework prescribed by Securities and Exchange Board of India (SEBI), covering topics such as environmental impact, social responsibility, and governance practices to enhance transparency and accountability.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY24
1.	Corporate Identity Number (CIN) of the Listed Entity	L28920MH1949PLC006870
2.	Name of the Listed Entity	Blue Star Limited
3.	Year of incorporation	January 20, 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, 2023, to March 31, 2024
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.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	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 Basis
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and after-sales service	Cooling appliances, Cold storage products, Central air-conditioning projects, including manufacturing and after-sales service.	73.70%
2.	Project Execution and after-sales service	Electrical Mechanical and Plumbing Contracting business, and Packaged air-conditioning businesses including manufacturing and after-sales service.	26.30%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Products/Services	NIC Code	% of total Turnover Contributed
1.	Electro-Mechanical Projects and Commercial Air Conditioning Systems	43219/43229	51%
2.	Unitary Products (room air conditioners, commercial refrigeration products and systems, water purifiers, air purifiers and air coolers)	28191/28192	49%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	29	34
International	0	0	0*

*The wholly owned subsidiaries of Blue Star have 5 international offices

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	43

b. What is the contribution of exports as a percentage of the total turnover of the entity?

2.97%

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

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	2,842	2,534	89.16%	308	10.84%
2.	Other than Permanent (E)	1,150	1,105	96.09%	45	3.91%
3.	Total employees (D + E)	3,992	3,639	91.16%	353	8.84%
WORKERS						
4.	Permanent (F)	322	322	100%	0	0%
5.	Other than Permanent (G)	2,497	2,464	98.68%	33	1.32%
6.	Total workers (F + G)	2,819	2,786	98.83%	33	1.17%

b. Differently abled Employees and Workers:

Sr. 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 (E)	0	0	0%	0	0%
6.	Total differently abled workers (F + G)	0	0	0%	0	0%

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	12*	2	16.67%
Key Management Personnel	4	0	0%

* Shailesh Haribhakti has completed his second term as an Independent Director & ceased to be a Director on March 31, 2024 and Vipin Sondhi and G Murlidhar were appointed on the Board effective January 30, 2024

22. Turnover rate for permanent employees and workers

Particular	FY24			FY23			FY22		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18.06%	16.85%	17.94%	18.50%	23.40%	18.90%	16.20%	26.20%	17.20%
Permanent Workers	0.31%	0%	0.31%	0%	0%	0%	0.6%	0%	0.60%

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)**23. (a) Names of Holding/ Subsidiary/ Associate Companies/ Joint Ventures**

Sr. 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 Company	100%	No
2.	Blue Star Climatch Limited	Subsidiary Company	100%	No
3.	Blue Star Qatar WLL*	Subsidiary Company	49%	No
4.	Blue Star International FZCO	Subsidiary Company	100%	No
5.	Blue Star Systems and Solutions LLC**	Subsidiary Company	100%	No
6.	BSL AC&R (Singapore) Pte Ltd**	Subsidiary Company	100%	No
7.	Blue Star North America Inc.	Subsidiary Company	100%	No
8.	Blue Star Europe B.V.	Subsidiary Company	100%	No
9.	Blue Star Innovation Japan LLC	Subsidiary Company	100%	No
10.	Blue Star M&E Engineering Sdn Bhd***	Joint Venture	49%	No
11.	Blue Star Air Conditioning & Refrigeration (U) Limited****	Subsidiary Company	100%	No
12.	Blue Star Oman Electro-Mechanical Company LLC	Joint Venture	51%	No

*It is a subsidiary of Blue Star 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

***Held by BSL AC&R (Singapore) Pte Ltd

****99% held by Blue Star International FZCO and 1% held by Blue Star Systems and Solutions LLC

VI. CSR Details

24. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
(ii) Turnover (in ₹)	89,98,87,74,671
(iii) Net worth (in ₹)	25,10,89,28,781

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY24			FY23		
		Current Financial Year			Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No*	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	17	0	NA	15	0	NA
Employees and Workers	Yes	3	1**	NA	1	0	NA
Customers	Yes	26,94,664	45,010	NA	23,28,974	17,355	NA
Value Chain Partners	Yes	2	0	NA	4	4	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

** 1 pending compliant was resolved in the month of April, 2024

Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	NA
Investors (other than shareholders)	https://www.bluestarindia.com/investors/shareholder-information
Shareholders	https://www.bluestarindia.com/media/343069/shareholder-inquiries-email.pdf
Employees and Workers	https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf
Customers	<p>Web-link for complaint registration: https://consumer.bluestarindia.com/service-support</p> <p>Other sources for complaint registration: 24x7 call centre: Call 1800 209 1177 or 1800 206 6666 or SMS 'Service' to 57575 or mail to customerservice@bluestarindia.com or Customer Care App</p>
Value Chain Partners	https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change	Risk	As the global environmental crisis worsens, stricter regulations regarding the usage and emission of greenhouse gases from refrigerants and energy conservation may result in increased compliance costs for Blue Star. Failure to comply with these regulations and delays in responding to them could impede product sales and disrupt business operations.	<ul style="list-style-type: none"> • Continuous reduction of manufacturing load by excelling in lean Manufacturing; • Attainment of manufacturing Efficiency; • Be Green through Clean Energy; • Prevention of environmental pollution by complying with regulations; • Implementation of voluntary sustainability measures; and • Initiatives to conserve energy and optimise alternate source of energy. 	Negative
2.	Climate Change	Opportunity	Climate change presents a chance to innovate smart engineering products that prioritise energy and resource efficiency, enhancing comfort in everyday living.	NA	Positive
3.	Waste Management	Risk	Improper disposal of waste will lead to non-compliance of regulatory laws.	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.	Negative

Sr. 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)
				<p>Blue Star has obtained authorisation as a Producer under the E-Waste (Management) Rules, 2016 (EPR), to dispose of 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).</p> <p>Blue Star has been meeting its e-waste recycling target every year as per EPR authorisation.</p>	
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.	Capability Development	Opportunity	Investment in capability development provides Blue Star a strategic edge, fostering individual growth that translates into organizational agility and competitiveness. War for talent is expected to intensify due to continuous change in business dynamics.	NA	Positive
6.	Diversity & Inclusion	Opportunity	<p>Blue Star remains committed in its efforts towards having a diverse and inclusive workforce at Blue Star through multiple conscious initiatives.</p> <p>Blue Star will continue to focus its commitment to foster, cultivate and preserve a culture of equal opportunities in a conducive and inclusive work environment.</p>	NA	Positive

Sr. 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)
			<p>This will further strengthen Blue Star's brand and enhance reputation.</p> <p>Note – Blue Star Climatech Limited a wholly owned subsidiary of Blue Star has females comprising 40% of its workforce.</p>		
7.	Corporate Governance	Opportunity	<p>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.</p>	NA	Positive
8.	Sustainable Supply Chain	Risk	<p>Key components for manufacture of Blue Star's products such as compressors, copper tubes, electronic parts, indoor units for split air conditioners and inverter drives are sourced from vendors in China and some other countries. Any disruption in supply caused due to geo-political reasons, imposition of non-tariff barriers etc, that limits imports from China or any other countries may significantly impact Blue Star's ability to import, manufacture and sell. Increase in Customs Duty may also increase the cost of the components. There are also key component and finished goods suppliers located either outside or within India on whom Blue Star has and may continue to have strategic dependency. Any disruption in the business operations of these suppliers may also impact Blue Star's ability to sell underlying products and equipment seamlessly.</p>	<p>Blue Star has a well-defined review mechanism to identify dependencies either on a single country or single vendor for the key components required for manufacture of its products. Blue Star, on an on-going basis, takes steps to diversify such procurements from alternative sources and identify backward integration opportunities.</p> <p>Blue Star has also established a 'Supplier Excellence' programme under the ambit of which it provides suppliers with managerial and technical assistance for improvements in productivity, quality, cost, delivery and safety.</p>	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Health & Safety	Risk	<p>Blue Star’s human resources (including those of its extended arms such as sub-contractors, channel partners and associates) are exposed to health and safety risks in the normal course of business. Health and Safety hazards impacts lives and livelihood of the employees leading to employee injuries and illness, reduced productivity and escalation of associated costs, including damage to Blue Star’s reputation.</p>	<p>Blue Star has in place a robust Environment, Health and Safety (EHS) framework driven by the Corporate Safety policy. Employees are trained in EHS practices through regular training programs, the effectiveness of which is tested through regular safety audits at project sites and mock drills at all the establishments. Blue Star has also obtained ISO 45001 certifications for four of its manufacturing facilities, and revamp and electrical facility management operating sites.</p>	Negative
10.	Business Continuity Management	Risk	<p>Blue Star’s operations may be significantly interrupted and its financial condition, cash flow and profitability could be affected by any of the following events:</p> <ul style="list-style-type: none"> • Prolonged market, supply chain, demand and operational disruptions caused by the spread of and/or continuation of pandemics or epidemics, including but not limited to COVID-19, resulting in full or partial shutdown of business or operating activities of Blue star in whole or some parts of India or in any of the global markets where Blue Star or any of its subsidiaries, associates or affiliated business entities have presence. <p>The occurrence of natural disasters or accidents, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, or any other Act of God and/or man-made disasters, including acts of terrorism, war and military actions.</p>	<p>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.</p>	Negative

Sr. 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 Compliance	Risk	<p>Blue Star's products businesses are subject to changing technology, significant technological developments and adherence with a variety of regulatory compliances.</p> <p>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.</p>	<p>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.</p>	Negative
12.	Digitalisation	Opportunity	<p>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.</p>	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.

Sr. No.	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/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c Web Link of the Policies, if available	https://www.bluestarindia.com/about-us/guiding-policies								
2.	Whether the entity has translated the policy into procedures. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		ISO 9001:2015, AHRI ISO 17025: 2017	ISO 45001 : 2018			ISO 14001 NEBB			ISO 9001:2015
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Blue Star embarked on a Net Zero Mission in the previous year. As a first step, Blue Star has already commenced the process of assessing the carbon footprint of its various establishments including factories. The next step will be to identify ways and means to reduce the carbon footprint substantially. Thereafter, it will determine and share the action plan and milestones for achieving Net Zero goal.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors.								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>We are committed to integrating the Company's business strategy with sustainability goals. Our ESG focus will be one of the important pillars in our pursuit for creating long term shareholder value.</p> <p>Apart from focused action for reducing carbon footprints in our operations, we remain committed to staying ahead of the curve in developing and launching products and solutions that are highly energy efficient, ozone friendly and low impact on global warming. Further, we are dedicated to circular economy principles for recycling, re-use and extending product life cycle.</p> <p>We shall accord priority to health and safety of our workforce; lay emphasis on social initiatives that nurture inclusive growth, diversity, community well-being, and equitable development.</p> <p>The Company has interest and expertise in reduction of wastage of perishables through preservation and life extension technologies.</p>								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Vir S Advani, Chairman & Managing Director*</p> <p>B Thiagarajan, Managing Director</p> <p>* Vir S Advani was re-designated as the Chairman and Managing Director with effect from April 1, 2024</p>								

9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No/NA).	Yes
	If Yes, please provide details	
	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. B Thiagarajan, Chairman	
	2. Anita Ramachandran	
	3. Sunaina Murthy	

10. Details of Review of NGRBCs by the company

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action					Yes				
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances					Yes				

Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action					Quarterly				
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances					Quarterly				

11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No*	Yes ¹	Yes ²	No*	No*	No*	No*	No*	Yes ³
	If yes, provide name of the agency.	<ol style="list-style-type: none"> 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. 								

* Blue Star has a robust internal review mechanism for its key policies. Efforts have been made to enhance management systems and the standards of performance so that they confirm the Blue Star's sustainability framework. The Internal Audit function of Blue Star has been outsourced to Grant Thornton. On a rotational basis, they do evaluate the policies adopted by Blue Star. Blue Star is also considering evaluation of policies by an external agency

If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
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.

Blue Star remains firmly committed to upholding ethical behaviour, transparent dealings, and accountability for all actions, which are deeply ingrained in Blue Star’s values and principles. Blue Star strictly adheres to fair and transparent business practices which include a thrust on personal integrity and ethics. These principles, known as ‘The Blue Star Way’, are an integral part of Blue Star’s culture and operations, guiding every employee in their conduct and interactions. New hires, whether from campuses or experienced backgrounds, undergo comprehensive training on these principles through dedicated HR modules. Additionally, Blue Star’s policies which are readily available on internal portals and the corporate website, reinforce dedication to ethical practices and provide clear guidance for all stakeholders.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	BRSR Principles	100%
Key Managerial Personnel	3	POSH, Code of Conduct, BRSR Principles	100%
Employees other than BOD and KMPs	27	POSH, Code of Conduct, Skill Upgradation	100%
Workers	7	POSH, Code of Conduct	72%
		Health & 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:

Monetary

Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹) (For Monetary Cases only)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1	Collector of Stamps, Mumbai	₹90,971	During the year under review, Blue Star received a Notice under Section 174 of Maharashtra Land Revenue Code, 1966 from the Collector of Stamps, Mumbai alleging default in payment of stamp duty amounting to ₹3,39,91,356/- on the order dated May 2, 2008, approving the scheme of amalgamation. Further, based on Blue Star’s application under the Maharashtra Stamp Duty Amnesty Scheme, a waiver of approximately 90% in penalty amount was granted vide order dated February 7, 2024. Accordingly, Blue Star paid penalty amount of ₹90,971 pursuant to the said order.	No
Settlement	NA				
Compounding fee	NA				

Non - Monetary

Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment	NIL			

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	

There were no cases where appeal/revision was preferred in the reporting period

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No) Yes

If Yes, provide details in brief

Blue Star's Code of Conduct includes the clause pertaining to prohibition of corruption or bribery practices. The same is available on the Blue Star's website at <https://www.bluestarindia.com/about-us/guiding-policies>.

Blue Star conducts its business free from the influence of corruption and bribery and expects its Employees and Business Partners to be aware of and follow all laws prohibiting bribery and other corrupt practices. The employees are forbidden to offer or accept an improper payment, bribe, gratification or kickback from an existing or potential client, competitor, supplier, or service provider.

Blue Star has a robust whistle blower mechanism governed by the extensive 'Whistle Blower Policy', publicly available on the website of Blue Star at <https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf>.

Any violation of the Code of Conduct of Blue Star, can be reported as per the vigil mechanism under Whistle Blower Policy. In addition, Blue Star has provided a toll-free number through which the informant can lodge their complaint.

As mentioned in the policy, if a person reports a complaint under this policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance.

On a quarterly basis, a communication from the Chief Human Resources Officer is sent out to all concerned reminding them about the whistle blower framework, and encouraging employees to speak up and report matters, without any fear or concern.

If Yes, Provide a web link to the policy, if available -Web link of anti corruption or anti bribery policy is in place

<https://www.bluestarindia.com/media/271526/code-of-conduct.pdf>.

<https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf>.

5. Number of Directors/ KMPs/ Employees/ Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particular	FY24	FY23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Case Details	FY24		FY23	
	Number	Remark	Number	Remark
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. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NA

There were no such cases in the reporting period

8. Number of days of accounts payables in the following format:

Particular	FY24	FY23
Number of days of accounts payables	109	117

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	FY24	FY23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0%	0%
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	49.88 %	47.38%
	b. Number of dealers / distributors to whom sales are made	2,281	2,233
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	18.06%	15.98%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	10.34%	3.04%
	b. Sales (Sales to related parties / Total Sales)	2.68%	3.58%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	76.69%	85.74%
	d. Investments (Investments in related parties/Total investment made)	80.15%	73.38%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the Financial Year:

Total number of awareness programmes held	Topics/principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL	<p>The value chain partners are made aware of Blue Star's Code of Conduct and the Whistle Blower mechanism through interactive portals i.e. Star Sampark, Star Connect and Star Serve.</p> <p>Link - https://www.bluestarindia.com/media/271526/code-of-conduct.pdf</p> <p>The Code of Conduct is placed on the said portals for perusal of the value chain partners and a mandatory declaration is obtained confirming the compliance with provisions of the said Code. Blue Star has prepared e-learning modules for the Code of Conduct and Whistle Blower mechanisms and the process of creating awareness programmes for the value chain partners is initiated.</p>	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)

Yes

If Yes, provide details of the same.

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 Indicator

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.

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. The product management and R&D teams regularly review and adopt latest technology in products and processes across businesses, key consideration being resource-efficiency and sustainability. There is a special, in-house focus on embedding the energy-efficient inverter technology across key products of Blue Star, namely chillers, VRFs, ducted systems and wall-mounted split air conditioners. Refrigerants with low global warming potential help mitigate environmental impact and energy-efficiency concerns. Sustainability related aspects, risks, as well as opportunities are integrated into the engineering and design of Blue Star's projects, products and services. Due to continuous product innovations with a focus on energy-efficiency and low global warming potential, electricity consumption during product use at the consumer's end is systematically reduced, with lower environmental impact.

Energy efficiency and climate impact have been the most important aspects considered during the new portfolio development. Blue Star has phased out R-22 refrigerant from its scroll chillers and ducted ACs with 410A refrigerant. Development of complete range of energy efficient light commercial ACs, which includes Mega split in 3 star and Cassette ACs in 1, 2 and 3 star and tower type ACs in 1-star category. Development of super-efficient ACs in 1.0TR category (25% higher than 5-star requirement). Blue Star has introduced energy efficient range of deep freezers from 60L to 200L using R-600a refrigerant (Iso-butane, 3 GWP). Introduction of complete range of freezers in 3, 4 and 5-star category. During the year Blue Star has introduced energy efficient air to air heat pumps in room AC & ducted split categories for domestic and global markets for de-carbonisation. Development of air to water heat pumps with low GWP refrigerants is in progress.

Sr. No.	Particular	FY24	FY23*	Details of improvements in environmental and social impacts
1.	R&D	30.32%	38.39%	FY 2022-23: Blue Star manufactures a complete range of residential air conditioners, commercial air conditioners including chillers, VRF systems, and ducted air conditioners, as well as commercial refrigeration equipment such as water coolers, deep freezers, kitchen and medical refrigeration, and cold storage solutions. The primary principle is to develop energy-efficient products that comply with environmental laws. Blue Star's R&D efforts focus on value engineering and cost optimization, aiming to develop new products and improve existing ones to enhance energy efficiency and reduce environmental impact. FY 2023-24: Entire development of star rated air conditioners and deep freezer is based around lower energy consumption which leads to lower load on grid and lower life cycle emissions. Use of low GWP refrigerants like R-600a and R-32 helps in reduction of global warming. Development of air to air heat pump and air to water heat pump is focused around replacement of energy guzzling conventional electric and gas fired geysers.
2.	Capex	13.78%	4.36%	

**Blue Star has changed the calculation methodology in the current FY. Hence, numbers reported previously for FY 2022-23 have been updated in this report in line with the new methodology*

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

Blue Star adheres to robust sourcing and supply chain procedures, with a strong focus on sustainability and responsible procurement. Our selection criteria prioritise environmental protection, resource efficiency, and product quality. We diligently track and monitor resources used across our entire product portfolio. To enhance eco-efficiency and promote legal compliance, we engage vendors and service providers, encouraging them to adopt international standards such as ISO 9001, ISO 14001, and other Environment, Health, and Safety (EHS) guidelines.

Approximately 54% of our vendors hold certifications compliant with ISO 9001, ISO 14001, or ISO 45001/OHSAS 18001, demonstrating their commitment to social and environmental standards. We source from suppliers capable of meeting Energy-Efficiency norms, REACH, and RoHS compliance requirements. Our supplier selection process emphasises quality assessment.

Furthermore, our e-waste Policy addresses sustainability concerns, mandating environmentally conscious procurement of Electrical and Electronic equipment. We consider criteria such as toxics reduction, design for end-of-life, material selection, life cycle extension, and energy conservation.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(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, 2016. 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. a. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)

Yes

b. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

Yes

c. If not, provide steps taken to address the same

NA

Leadership Indicators

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Sr. No.	Particular	FY24			FY23		
		Re-Used (In MT)	Recycled (In MT)	Safely Disposed (In MT)	Re-Used (In MT)	Recycled (In MT)	Safely Disposed (In MT)
1.	Plastics (including packaging)	0	249.54	0	0	0	0
2.	E-waste	0	11,224.65	0	0	6,878.16	0
3.	Hazardous waste	0	0	0	0	0	0
4.	Other waste	0	0	0	0	0	0

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Sr. No.	Indicate product category	Reclaimed products and their packaging materials (as % of total products sold in respective category)
1.	Room Air Conditioners	14.4%
2.	Deep Freezers	22.7%
3.	Cold Rooms	61.3%

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Blue Star endeavours to strengthen people well-being and cross-functional cohesion across the workforce with a plethora of planned engagements at periodic intervals during the year. Business-specific interventions, based on the *Great Place to Work* survey-based action areas gained momentum during the year. Basis the specific work ecosystem of every business, these measures aim to provide a safe and conducive environment for enhanced work efficiency and improved productivity.

Work flexibility that focuses on work deliverables rather than hours clocked at workplace is enhancing work-life balance as per the feedback of employees across the hierarchy. *Synergy* is a continuing, well-tailored initiative that focuses on strong connect and engagement as well as capability building for both on-roll and off-roll staff across project sites in the country. Employee engagement initiatives such as *Sparsh* and *Kutumb* were rolled out for the spouses of factory operators.

Investments in Leadership Development and functional trainings have been prioritised by Blue Star, with the objective to build pool of young generation leaders. Blue Star believes that investing in the development of our young workforce is at the core to drive innovation, growth and organisational success.

Under the aegis of 'Wellness is Coolness', several wellness initiatives aimed at sustainably augmenting the physical and mental health of employees were rolled out. These included various health training sessions, fitness challenges, employee counselling sessions and experts talk on mental health matters.

Blue Star pursued an Employee Experience framework across its offices, factories and project sites that was both personalised and supported by digital experiences. A structured Reward and Recognition system is in place to ensure real-time acknowledgment of commendable achievements across levels through various awards at regular frequency. Yearly employee satisfaction surveys are conducted, the results of which form detailed action plans for the people management teams. This helps create a work environment that attracts and retains talent.

Essential Indicators

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)
1. a. Details of measures for the well-being of employees:											
Permanent workers											
Male	2,534	2,534	100%	2,534	100%	0	0%	0	0%	2,534	100%
Female	308	308	100%	308	100%	308	100%	0	0%	308	100%
Total	2,842	2,842	100%	2,842	100%	308	10.84%	0	0%	2,842	100%
Other than permanent employees											
Male	1,105	1,105	100%	1,105	100%	0	0%	0	0%	0	0%
Female	45	45	100%	45	100%	45	100%	0	0%	0	0%
Total	1,150	1,150	100%	1,150	100%	45	3.91%	0	0%	0	0%
1. b. Details of measures for the well-being of workers:											
Permanent workers											
Male	322	322	100%	322	100%	0	0%	0	0%	322	100%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	322	322	100%	322	100%	0	0%	0	0%	322	100%
Other than permanent workers											
Male	2,464	1,563	63.43%	1,563	63.43%	0	0%	0	0%	2,464	100%
Female	33	28	84.85%	28	84.85%	33	100%	0	0%	33	100%
Total	2,497	1,591	63.72%	1,591	63.72%	33	1.32%	0	0%	2,497	100%

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format	FY24	FY23
Cost incurred on well- being measures as a % of total revenue of the company	0.16 %	0.15 %

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY24			FY23		
	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
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0.035%	0%	Y	1%	100%	Y
Others – Workmen Compensation Act benefits not covered under ESIC	NA	100%	Y	NA	100%	Paid to the injured person

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

Some of the office premises are accessible to differently abled employees; Blue Star has initiated action to make all its office premises accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

<https://www.bluestarindia.com/media/271526/code-of-conduct.pdf>

Blue Star is committed to provide equal opportunity to all persons including but not limited to transgenders and persons with disabilities, and shall not subject any person to unfair treatment in relation to their employment, promotion or other related issues or terminate the employment for reasons of gender or disability. Persons with disabilities will be considered for employment in positions where their disability will not prevent them from working. Blue Star would also provide them with necessary facilities based on their disabilities to enable them to effectively discharge the duties for which they are employed. The detailed policy is hosted on the intranet portal of Blue Star.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

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.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	<p>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.</p> <p>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.</p> <p>Blue Star has established formal mechanisms which are administered by committees that review any grievance. Some of the mechanisms are, 'HR Kiosks,' 'One-on-One' discussions, and 'Employee Town halls,' which are organised periodically to understand and 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. 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.</p>
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:

Category	FY24			FY23		
	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						
Male	2,534	0	0%	2,312	0	0%
Female	308	0	0%	240	0	0%
Total Permanent Workers						
Male	322	191	59.32 %	314	172	54.8%
Female	0	0	0%	0	0	0%

8. Details of training given to Employees and Workers:

Category	FY24					FY23				
	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	2,534	2,534	100%	2,022	79.79%	2,312	2,312	100.0%	2,085	90.2%
Female	308	308	100%	281	91%	240	240	100.0%	223	92.9%
Total	2,842	2,842	100%	2,303	81.03%	2,552	2,552	100.0%	2,308	90.4%
Workers										
Male	2,786	2,786	100%	2,786	100%	2,618	2,618	100.0%	2,618	100%
Female	33	33	100%	33	100%	14	14	100.0%	14	100%
Total	2,819	2,819	100%	2,819	100%	2,632	2,632	100.0%	2,632	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY24			FY23		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	2,534	2,190	86.42%	2,312	1,994	86.2%
Female	308	264	85.71%	240	214	89.2%
Total	2,842	2,454	86.34%	2,552	2,208	86.5%
Workers						
Male	2,786	322	11.56%	2,618	314	11.99%
Female	33	0	0%	14	0	0%
Total	2,819	322	11.42%	2,632	314	11.93%

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)

Yes

If Yes, the Coverage of such systems?

All Manufacturing Plants, sites under Electro Mechanical Project Group (EMPG), Revamp & EFM are certified for Occupational Health & Safety Management System as per ISO 45001:2018 and system covers following key elements:

- Establish and implement the EHS Policy.
- Identifying and assessing workplace hazards and risks.
- Established procedures and protocols to mitigate risks and ensure employee safety.
- Provided appropriate training and resources to employees for safe work practices.
- Regular monitoring and evaluation of safety procedures and performance.
- Review of EHS Performance by Senior Leadership periodically.
- Continuous Improvement in occupational health and safety system through involvement of all stake holders, EHS Reviews, Audits etc.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification and Risk Assessment (HIRA) is an integral component of the ISO 45001 system, practiced across our certified sites. By identifying potential hazards and assessing associated risks, we enhance safety protocols and mitigate adverse impacts. Our commitment to HIRA underscores our dedication to employee well-being and operational excellence.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)

Yes

Any kind of incident is directly reported to the supervisor at the workplace who immediately issues an SOS for post hazard actions which have been established by Blue Star.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes*

* Employees aged 40 and above are required to undergo annual health check-ups, which are provided by Blue Star. Additionally, all employees have access to healthcare services through their health insurance. Mental health support is available through the digital platform Mind Matters, in collaboration with Practo, which is an online platform connecting patients to doctors, offering counselling for employees and their families. Furthermore, basic health check-ups are conducted annually for workers stationed at various sites.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY24	FY23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.04	0.13
Total recordable work-related injuries	Employees	0	0
	Workers	1	8
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	3

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

In our commitment towards ensuring workplace safety, we have implemented an EHS management system at Blue Star. In addition, we also conduct risk assessments for activities undertaken and ensure risk control measures are appropriately adhered to. Our dedication to safety extends to the development of comprehensive Safe Operating Procedures, accompanied by thorough employee training to ensure full compliance. Regular inspections and audits are conducted to uphold our stringent safety standards. In the event of incidents, we conduct detailed investigations to uncover underlying causes and proactively implement preventive actions to prevent recurrence. Additionally, our engagement with employees is fostered through impactful safety programs, including celebrations such as Safety Day and World Environment Day, fostering a culture of safety and environmental stewardship.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY24			FY23		
	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. Assessment for the year:

Particulars	% 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.

A series of corrective and preventive actions were implemented to enhance safety measures. Comprehensive training sessions were conducted for workers specifically focusing on scaffold safety protocols and relocation procedures, ensuring that they are equipped with the necessary knowledge and skills to perform their tasks safely. Additionally, measures are in place to ensure regular inspections and maintenance of scaffolds, ensuring their structural integrity and safety for use. Furthermore, oversight of work activities was intensified to provide closer monitoring and intervention when necessary, reinforcing our commitment to maintaining a safe working environment for all personnel. These proactive measures underscore our dedication to continuously improving safety standards and preventing future incidents.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

- (A) Employees (Y/N)** Yes, Blue Star has in place 'Term Insurance' and 'Accidental Insurance' for its employees.
- (B) Workers (Y/N)** Yes, the workers are covered under the Workmen Compensation Policy.

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 implemented a compliance framework across various regions to ensure that both its project associates and subcontractors fulfil their obligation to deduct and remit statutory dues.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particular	Total no. of affected Employees/Workers		No. of Employees/Workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY24	FY23	FY24	FY23
Employees	0	0	0	0
Workers	0	3	0	1

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/ NA)

Yes*

**Employees have access to a transition assistance scheme/program/support. Furthermore, there exists a retirement policy aimed at providing transition assistance*

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	20.56%
Working Conditions	

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders.**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

Blue Star has identified its internal and external stakeholders through a stakeholder mapping exercise. The key stakeholders include employees, customers, business associates, suppliers and distributors, shareholders, bankers, debenture holders, analysts, fund managers, regulatory authorities, industry associations and communities around Blue Star's manufacturing facilities and project sites.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other - Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, Other - Please Specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	Yes (Some of the employees will be from lower socioeconomic background and differently abled)	Email, newsletters, Intranet, website, mobile applications, open house sessions addressed by Senior Management members, satisfaction surveys and trainings, social media, etc.	Others - Ongoing	<ul style="list-style-type: none"> • Update on Blue Star's Strategic Plan and progress against the same; • Addressing queries and concerns of Employees; • Update on Blue Star's business and governance structure; • Action items arising out of satisfaction surveys and plans to implement them; • Employees' health and safety; • Advisory on retirement and post retirements; and • Various 'Fun at Work' activities to keep healthy engagement and stress-free work environment.
Customers	No	Emails, in person engagements and meetings, website, web application, call centre, social media, advertisements	Others - Ongoing	<ul style="list-style-type: none"> • Updated on products including features, safety and safe usage and disposal; • Industry and regulatory updates; • Addressing queries and concerns of customers; and • Service and maintenance.
Business Associates	No	Emails, in person engagements and meetings, website, interactive portal, social media, satisfaction surveys	Others - Ongoing	<ul style="list-style-type: none"> • Best practices in project execution; • Updates on health and safety practices; • Action items arising out of satisfaction surveys and plans to implement them; and • Training and awareness sessions on technical aspects and ethical practices.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other - Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, Other - Please Specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers and Distributors	No	Emails, in person engagements and meetings, website, interactive portal, social media, satisfaction surveys	Others - Ongoing	<ul style="list-style-type: none"> • Product launches for channel partners; • Update on products including features, safety and disposal; • Update on health and safety practices; • Action items arising out of satisfaction surveys and plans to implement them; • Training and awareness sessions on technical aspects and ethical practices; and • Assistance provided in arranging for financing needs to suppliers and distributors from the marginalised sections from banks and lending agencies as appropriate.
Shareholders/ Institutional Investors	No	Emails, earnings call, in person engagements and meetings, website, social media, satisfaction surveys, Annual Report, newspaper communications	Others - Ongoing	<ul style="list-style-type: none"> • Updates on Blue Star's quarterly performance and medium term outlook; • Major industry developments; • Action items arising out of satisfaction surveys and plans to implement them; • Addressing queries and concerns of shareholders; • Regular in person meetings with investors; and • Regulatory updates.
Financiers	No	Emails, in person engagements and meetings, website, social media, Annual Report	Others - Ongoing	<ul style="list-style-type: none"> • Updates on Blue Star's performance and medium term outlook; • Submissions made in compliance with lending arrangements/agreements; and • Updates on major industry developments.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other - Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, Other - Please Specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulatory Authorities	No	Emails, in person engagements and meetings	Others - Ongoing	<ul style="list-style-type: none"> • Updates on Blue Star's business and governance structure; • Addressing queries and concerns; • Statutory filings on timely basis; • Industry advocacy; • Sustainability practices; and • Addressing environmental and societal concerns.
Industry Associations	No	Emails, in person engagements and meetings	Others - Ongoing	<ul style="list-style-type: none"> • Industry advocacy; • Technical and technology advancements; • Sustainability practices; • Addressing environmental and societal concerns; and • Regulatory updates.
Communities around Manufacturing locations and project sites	Yes	In person engagements and meetings	Others - Ongoing	<ul style="list-style-type: none"> • Facilitating employment opportunities; • Skill development; • Initiatives towards health, hygiene and wellness; • Education; and • Affirmative action for Scheduled Castes and Scheduled Tribes.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Blue Star's leadership maintains regular communication and interaction with its key stakeholders including investors, customers, suppliers and employees. The Board of Directors receives periodic updates covering a wide range of topics, such as industry insights, customer service enhancements, digital advancements, CSR endeavours, financial results and strategic initiatives. Moreover, the Directors are kept abreast of the regulatory landscape, including notable developments, circulars and amendments from entities like SEBI and MCA. The Board actively provides feedback, fostering alignment and collaboration across the organisation.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No).

Yes

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.

Blue Star employs materiality assessments to effectively engage with stakeholders and identify priority issues concerning economic, environmental, and social aspects. Furthermore, proactive engagement with investors and analysts allows Blue Star to gain insight into their expectations, which are then integrated into its sustainability framework. This collaborative approach has spurred the development of various initiatives centered around responsible investing, equal opportunity, diversity and inclusion policies, privacy standards, human resources practices, environmental stewardship, and sustainability risk assessment. Through these initiatives, Blue Star demonstrates its commitment to addressing pertinent societal challenges while aligning with the expectations of its investors and broader stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

Kindly refer to the Social Capital section of the Integrated Report.

PRINCIPLE 5 Businesses should respect and promote human rights.

Blue Star holds human rights under all circumstances at the core of all its business activities. People-friendly policies and processes are in place to ensure protection of individual and collective rights at all times. The Blue Star Values & Beliefs are clearly enumerated for understanding and explained during the formal onboarding of employees into Blue Star ecosystem.

Blue Star has a detailed and publicised Code of Conduct that is applicable to its vendors, dealers, service providers and employees to address and redress grievances of any nature. Also, there are awareness training modules that employees and stakeholders can consume at their convenience to keep themselves abreast of this crucial matter. Formal mechanisms administered through earmarked committees review any reported grievance and ensure timely closure with justice, respecting the confidentiality of the complainants.

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:**

Benefits	FY24			FY23		
	Total (A)	No. of Employees/Workers covered (B)	% (B/A)	Total (C)	No. of Employees/Workers covered (D)	% (D/C)
Employees						
Permanent	2,842	2,842	100%	2,552	2,423	94.9%
Other than permanent	1,150	1,150	100%	956	0	0%
Total Employees	3,992	3,992	100%	3,508	2,423	69.1%
Workers						
Permanent	322	322	100%	314	314	100%
Other than permanent	2,497	2,497	100%	2,318	2,318	100%
Total Workers	2,819	2,819	100%	2,632	2,632	100%

2. Details of minimum wages paid to employees and workers:

Category	FY24					FY23				
	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										
Male	2,534	0	0%	2,534	100%	2,312	0	0%	2,312	100%
Female	308	0	0%	308	100%	240	0	0%	240	100%
Total	2,842	0	0%	2,842	100%	2,552	0	0%	2,552	100%
Other than Permanent										
Male	1,105	18	1.63%	1,087	98.37%	913	15	1.6%	898	98.3%
Female	45	0	0%	45	100%	43	0	0%	43	100%
Total	1,150	18	1.57%	1,132	98.43%	956	15	1.6%	941	98.43%
Workers										
Permanent										
Male	322	0	0%	322	100%	314	0	0%	314	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	322	0	0%	322	100%	314	0	0%	314	100%
Other than Permanent										
Male	2,464	1,681	68.22%	783	31.78%	2,304	1,526	66%	778	33.8%
Female	33	32	96.97%	1	3.03%	0	0	0%	14	100%
Total	2,497	1,713	68.60%	784	31.40%	2,318	1,526	66%	792	34.17%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakhs)	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakhs)
Board of Directors (BoD) ^{^*}	8	30.35	2	32.85
Key Managerial Personnel ^{**}	4	704.58	0	NA
Employees other than BoD and KMP [#]	2,498	11.09	308	7.28
Workers	322	6.60	0	NA

[^]excludes two Managing Directors

^{*}includes remuneration of Shailesh Haribhakti who ceased to be Director of Blue Star effective from close of business hours on March 31, 2024 and remuneration of Vipin Sondhi and G Murlidhar who were appointed on the Board effective January 30, 2024

^{**} includes two Managing Directors, Group Chief Financial Officer and Company Secretary & Compliance Officer

[#] The headcount and median are mentioned only for Management staff

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particular	FY24	FY23
Gross wages paid to females as % of total wages	7%	6%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, we have Ethics Committee and Internal Complaints Committee.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Human Rights at Blue Star –

- Employee Welfare and Well-being: Blue Star respects human rights and is committed to ensuring that human rights are protected and governed by the Blue Star Code of Conduct.
- Work Place Harassment and Sexual Harassment: Blue Star has a zero-tolerance policy against any kind of harassment whether sexual, verbal, physical or an act of exclusion which interferes with an individual's work performance or creates an environment which is hostile, offensive or intimidating.
- Blue Star ensures that it does not employ children at its workplaces.
- Blue Star's Code of Conduct also safeguards against forced labour of any kind.
- It is Blue Star's endeavour to offer equal opportunities to everyone without any discrimination, whether on rolls of Blue Star, contracted labour or workmen or people on third-party contractor rolls working for Blue Star assignments.
- During the challenging times of the COVID-19 pandemic, Blue Star took care of its employees and ensured that the employees have access to doctors, counsellors and helpline numbers.
- Blue Star has a Whistle Blower policy in place through which employees may report the events which have, or are suspected to have, taken place involving abuse of authority, fraud, leakage of information, illegal commission or kickbacks, manipulation of documents, conflict of interest, any other forms of corrupt practices, violation of Blue Star's policies, etc.
- Blue Star ensures a safe and healthy workplace for its employees.
- Open house sessions are hosted regularly to address employee grievances and suggestions.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY24			FY23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	1*	NA	1	0	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	1	0	NA	0	0	NA

* 1 pending case was resolved in the month of April, 2024.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY24	FY23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	1
Complaints on POSH as a % of female employees / workers	0.50%	0%
Complaints on POSH upheld	2	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We conduct training sessions to foster awareness among our workforce. These initiatives are designed to ensure that every employee understands their rights, responsibilities, and the standards of behaviour expected within our organisation. Additionally, our policies are meticulously crafted to outline clear processes aimed at preventing any adverse consequences for individuals who file complaints. We are dedicated to cultivating a safe, respectful, and inclusive work environment where everyone feels empowered to speak up and where misconduct is swiftly addressed and rectified.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

Yes

Blue Star ensures that its Code of Conduct, which outlines human rights standards, along with Blue Star's core values and beliefs known as 'The Blue Star Way', are communicated to all value chain partners during the agreement and contract signing process. Compliance with the Code and adherence to the Blue Star Way are obligatory for all contractual engagements.

Vendor partners are required to strictly adhere to statutory regulations, with acknowledgment of the Code of Conduct being a standard component of employment contracts.

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

No corrective actions were required.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

There was no such process modification/introduction required.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

It includes annual assessment of Human Rights issues and policies of Blue Star, which is an assessment of Code of Conduct, diversity, corporate safety policy, and ethical business and operational practices.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? (Yes/No)

Yes

Some of the offices of Blue Star are accessible to differently abled visitors. Blue Star is in the process of setting up necessary arrangements at the other premises.

4. Details on assessment of value chain partners:

Name of the Assessment	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	20.56%
Wages	
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.

No significant risks/concerns arose from the assessment.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment.**Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY24	FY23
From renewable sources		
Total electricity consumption (A)	10,694.27	4,400.82
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	10,694.27	4,400.82
From non-renewable sources		
Total electricity consumption (D)	72,744.05	60,973.20
Total fuel consumption (E)	33,107.19	1,666.58
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	1,05,851.24	62,639.78
Total energy consumed (A+B+C+D+E+F)	1,16,545.51	69,958.88
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000001295	0.000000951
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000029632	0.000021768
Energy intensity in terms of physical output	0.100806143	0.063142177
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Of our total energy consumption, 9.8% came from renewable sources

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No

If yes, name of the external agency.

NA

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? (Yes/No)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable as none of the facilities have been identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY24*	FY23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	97,725.50	1,01,922
(iii) Third party water	48,205.02	2,460
(iv) Seawater / desalinated water	0	0
(v) Others	0	40,614
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,45,930.52	1,44,996

Parameter	FY24*	FY23
Total volume of water consumption (in kilolitres)	1,45,930.52	1,44,996
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000001622	0.000001972
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000037103	0.000045117
Water intensity in terms of physical output	0.126222734	0.130867777

*Blue Star has taken water withdrawal for all plants on actual basis and for all offices on the assumption of 45 litres per person per day consumption

*Recycled water constitutes 19% of our total water withdrawal

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)

No

If yes, name of the external agency.

NA

4. Provide the following details related to water discharged:

Parameter	FY24	FY23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	28,398.83*	0
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	28,398.83	0

*Water consumption at office locations of Blue Star gets discharged into community sewage

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

NA

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

Yes

If yes, provide details of its coverage and implementation.

All the manufacturing facilities of Blue Star have consented to operate on a zero-discharge basis, since all the wastes generated due to industrial processes are treated onsite. This is ensured through Effluent Treatment Plants (ETP) & Sewage Treatment Plants (STP) which are advanced wastewater treatment methods that are installed at all the manufacturing sites of Blue Star. The treated water is then used for in house gardening purpose.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY24	FY23*
NOx	mg/Nm3	53.86	179.98
SOx	mg/Nm3	22.06	92.13
Particulate matter (PM)	mg/Nm3	57.91	240.91
Persistent organic pollutants (POP)	-	0	NA
Volatile organic compounds (VOC)	-	0	NA
Hazardous air pollutants (HAP)	mg/Nm3	0	NA
Others – please specify	-	0	94.20
CO ₂	mg/Nm3	5.67	0

*The calculation for FY 2022-23 included ambient air emissions and stack emissions both. However, for FY 2023-24, Blue Star has updated the calculation methodology to include only stack emissions

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. Envirocare Labs Pvt. Ltd.
2. Centre for Environment and Food Technology Pvt. Ltd
3. Entech Laboratories
4. UniStar Environment and Research Labs Pvt. Ltd.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY24	FY23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,046.80	0
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	14,467.98	3,289.5
Total Scope 1 and Scope 2 emissions per rupee of turnover	Total Scope 1 and Scope 2 GHG emissions / Revenue from operations	0.000000184	0.000000045
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 tonnes of CO ₂ equivalent	0.000004199	0.000001024
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Total Scope 1 and Scope 2 emission per no. of units produced	0.014284482	0.002968975

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

NA

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)

Yes

If Yes, then provide details.

1. Saki Naka Office

At the Saki Naka office, a rooftop solar system of 40 kWp was commissioned in November 2023, offsetting 18,778 kWh from November to March, covering 20% of total power consumption. Additionally, the office achieved net zero (Scope 2) energy with an offset of 64,824 kWh through 100% green power from Adani Energy between December and March.

2. Thane Office

The Thane office installed a 50 kWp rooftop solar system in 2022, contributing to an energy offset of 50,395 kWh, which accounts for 2% of total power consumption.

3. Chennai Office (Keyaram)

The Chennai office sources all its power from a solar PPA with a third party, initiated in 2022. For Fiscal Year 2023-24, this has resulted in an offset of 21,30,840 kWh.

4. Wada Plant

The Wada office installed a 3.1 MWp rooftop solar system, annualized generation of 27.75 lakh kWh resulting in reduction of CO2 emission by 1389 T. Replacement of old High Pressure Mercury Vapour light fixtures with new 138nos. of 200W LED light fixtures resulted in annual saving of 16500 kWh, equivalent to an annual saving of ₹ 2.0 lakhs. Installation of 25nos. of High-Volume Low Speed (HVLS) fans on Assembly Lines & Coil Shop resulted into annual energy saving of 11,000 kWh.

5. Himachal Pradesh Plants

Under net zero initiatives replaced conventional 550 nos. Metal Halide lights (250W) with LED lights (100W) at shop floor, resulted in energy saving of 28725 kWh, cost savings of ₹2.15 lakhs annually and CO2 reduction by 20.39 T. Replaced 150 conventional industrial induction motor fans with Brushless Direct current technology fans at shop floor, resulting in energy saving of 90,000 kWh, cost savings of ₹6.76 lakhs and CO2 reduction by 64 T. Installed 4 HVLS fan which eliminated 26 conventional induction fans at shop floor resulting in energy savings of 40,000 kWh, cost savings of ₹3 lakhs and CO2 reduction by 29 T. Upgraded IE1 / IE2 induction motors with IE3 / IE4 motors at split AC ODU assembly lines resulting in energy savings of 8700 kWh, cost savings of ₹0.65 lakhs and CO2 reduction by 6.2 T. Conventional fixed speed package HVAC system replaced with advance IVRF system for main office building resulting in energy savings of 69,000 kWh, cost savings of ₹5.18 lakhs and CO2 reduction by 49 T. Optimization of low air pressure compressor power consumption by synchronizing all five LP compressor for plant operations along with O2 / N2 generation plant with common header resulting in energy savings of 2,00,000 kWh, cost savings of ₹15 lakhs and CO2 reduction by 141 T.

6. Dadra Plant

Achieved significant energy savings by investing in a VFD-Driven Compressor (Variable Speed Drive), which adjusts motor speed based on real-time demand. With this implementation, saved 40150 kW per year and reduced CO2 emissions by 8.32 T. Replaced the 7.5 kW pump in the cooling tower with a more efficient 5.5 kW pump. This change resulted in direct savings of 2.5 kWh, equivalent to 40 kW per day and 12,680 kW per year and a reduction in CO2 emissions by 2.62 T. As part of a pilot project, we retrofitted a Variable Frequency Drive (VFD) to the Water Rinse-1 Pump at the Paint Coating facility. The VFD help for Annual Energy Savings: 21,600 kWh, CO2 Emission Reduction per Year: 2.62 T. Solar rooftop systems have generated an impressive 80,696 kWh of clean energy, a significant reduction in CO2 emissions by 16.70 T annually.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY24	FY23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	47.76	203.31
E-waste (B)	49.87	6,921.41*
Bio-medical waste (C)	0.08	0
Construction and demolition waste (D)	0	0
Battery waste (E)	1	4.25
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	302.02	90.45

Parameter	FY24	FY23
Other Non-hazardous waste generated (H)	5,350.43	1,918.74
Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A + B + C + D + E + F + G + H)	5,751.15	9,138.16
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000064	0.000000124
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000001462	0.000002843
Waste intensity in terms of physical output	0.004974462	0.008247749
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY24	FY23
(i) Recycled	0	6,921.41*
(ii) Re-used	0	0
(iii) Other recovery operations	1,119.05	0
Total	1,119.05	6,921.41

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY24	FY23
(i) Incineration	0.08	0
(ii) Landfilling	0	6.95
(iii) Other disposal operations	4,619.5	0
Total	4,619.58	6.95

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

NA

In FY 2023-24, Blue Star has updated its data collection methodology for waste. Hence, there is some comparative variation to be seen in waste categories

The difference in waste generation and disposal/recovery is because certain waste was disposed/recovered after the close of the FY

**In FY 2022-23, the E-waste included post-consumer plastic waste, whereas the same is not included in this table in the FY 2023-24 as it is EPR obligation*

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Blue Star has been filing returns with the Central Pollution Control Board (CPCB) under E-Waste (Management) Rules, 2022, annually. All the waste generated is disposed through authorised recyclers. Zero liquid discharge is ensured through advanced wastewater treatment facilities. Blue Star has adopted a nano ceramic coating process in the paint shop at its manufacturing sites which has Zero discharge and Zero sludge formation. All chemicals used for and during this process are RoHS compliant. Blue Star closely monitors the reduction of the use of hazardous substances in the manufacturing of its products. It consistently ensures that the discharge does not, at any given time, contain lead, mercury, cadmium or any such hazardous substances higher than the concentration value permitted by the environmental laws 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:

Sr. 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.
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Blue Star has no operations/offices in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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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/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/ guidelines which was not complied with	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

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:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
IGBC Green Factory Certification Location – Wada Plant	Received an IGBC Green Factory Certification for the plant location	Platinum certification achieved	NA
LED Lighting @ Shopfloor Location – Himachal Pradesh Plants	Retrofit existing MHD (Metal Halide) with LED lamps	Energy savings of 200,000 kWh annually	NA
BLDC Fans Location – Himachal Pradesh Plants	Replaced existing conventional industrial fans (column mounted) with BLDC fans	Energy savings potential of 90,000 kWh annually	NA
HVLS Fans Location – Himachal Pradesh Plants	Replaced existing conventional industrial fans (column mounted) with HVLS fans	Energy savings potential of 40,000 kWh annually	NA
Air-conditioning VRF Retrofit Location – Himachal Pradesh Plants	Package AC replaced with high-efficiency VRF AC system	Energy savings of 69,000 kWh annually	NA
Air Compressor Location – Himachal Pradesh Plants	Synchronisation of fixed speed and variable speed air compressors, integrated N2 and O2 air compressors	Energy savings of 200,000 kWh annually	NA
Auto-brazing	Replace compressed air with electrical tower fans	Energy savings of 40,000 kWh annually	NA
LED Lighting @ Shopfloor Location – Dadra Plant	Retrofit existing 600 MHD (Metal Halide) / SON (Sodium Vapor Lamps) with LED lamps	Energy savings of 220,000 kWh annually	NA

5. Does the entity have a business continuity and disaster management plan? (Yes/No)

Yes

Give details in 100 words/ web link.

Blue Star has in place a Business Continuity Management Systems Policy and has also formulated Standard Operating Procedures to keep its critical processes operational and continue delivery of its products and services within acceptable timeframes at predefined capacity in the event of a disruption.

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.

There is no direct impact to the environment arising from the value chain partners of the entity.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

20.56%

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

Blue Star actively engages with industrial institutions and professional bodies to promote the betterment of the industry as a whole. By collaborating with these entities, Blue Star aims to drive positive change in the industry and contribute to public welfare. Blue Star also participates in various initiatives related to governance, economic reforms, sustainable business practices, and other areas, seeking to foster transformational change. Blue Star’s senior leadership provides expertise and guidance in the development of public policies through strategic partnerships with industrial bodies and consortia at local, national, and international levels, which are as follows:

1. a. Number of affiliations with trade and industry chambers/ associations.

18

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.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/ International)
1.	American Society of Safety Professionals (ASSP) – India Chapter	National
2.	National Safety Council (NSC), India	National
3.	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)	National and State level
4.	Indian Society of Heating, Refrigerating, and Air Conditioning Engineers (ISHRAE)	National and State level
5.	Confederation of Indian Industries (CII)	National and State Level
6.	Indian Green Building Congress (IGBC)	National
7.	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
8.	Refrigeration and Air-conditioning Manufacturers Association (RAMA)	National
9.	Bureau of Energy Efficiency (BEE)	National
10.	Bureau of Indian Standards (BIS)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA		

**There were no cases of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities*

Leadership Indicators

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 the Managing Directors of Blue Star: -

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half Yearly/ Quarterly/ Others- Please specify)	Web Link, if available
1.	Member of the CII National Council <ul style="list-style-type: none"> Create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes. 	Leadership in national council, strategic policy formulation and advocacy	Yes	NA	NA
2.	Chairman of the CII Trade Policy Council <ul style="list-style-type: none"> Advocacy and capacity building on the use of FTAs, addressing New Technical Barriers to Trade, upgrading to and complying with International Standards, with an aim to grow India's share of the world trade basket. 	Leadership in national committee, strategic policy formulation and advocacy	Yes	NA	NA
3.	National Chairman of CII Indian Green Building Council <ul style="list-style-type: none"> Expanding the footprint by green built environment. Driving Net Zero principles & mission. 	Leadership in national committee, strategic policy formulation and advocacy	Yes	NA	NA
4.	Currently as the Chairman of CII National Committee on Consumer Durables and Electronics, formulating and driving implementation of sustainable growth strategy for the industry.	Leadership in national committee, strategic policy formulation and advocacy	Yes	NA	NA

Sr. 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
5.	As the erstwhile President of Refrigeration and Air conditioning Manufacturers Association (RAMA), spearheaded the Energy Labelling Programme for Air Conditioners and also the phase-out of Ozone Depleting Substances. Further, contributed to the formulation of India Cooling Action Plan.	Advocacy through industry association leadership and policy formulation participation	Yes	NA	NA
6.	Actively participated in the implementation of e-waste regulations of the Government of India and has been driving Circularity Principles in Blue Star.	Participation in regulatory implementation and promotion of circular economy principles	Yes	NA	NA
7.	In CII, as the past Chairman of National Cold Chain Committee and as the Co-Chair of National Agriculture Council, undertook unique programmes to reduce the wastage of perishables. The sustainable value chains for bananas is of particular importance.	Leadership in national committees and implementation of programmes for agricultural sustainability	Yes	NA	NA
8.	Chairman, Green Coding Council, CII Green Business Centre. Spearheaded the Think - tank comprising industry, academic and research institutions for promoting technologies and practices for sustainable cooling.	Advocacy through industry association leadership for sustainable cooling	No	NA	NA

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

Blue Star is dedicated to supporting underprivileged communities across rural and urban areas of the country through its strategic social initiatives. These initiatives are carefully aligned with Blue Star's expertise and the skills of its employees, who actively participate as volunteers. In the long run, Blue Star is committed to promoting health, hygiene, and wellness through its products, services, and social endeavors. These programs are in line with the UN's Sustainable Development Goals and the country's development objectives. They encompass a wide range of activities, including vocational training in air conditioning and mechanical, electrical, and plumbing services, empowering farmer communities, improving hygiene facilities, and supporting education, health, women's empowerment, and sustainable development. Additionally, Blue Star has responded swiftly to national emergencies, such as floods, earthquakes, and the COVID-19 pandemic in recent past, through partnerships with local NGOs. Regular evaluations of these projects ensure their effectiveness and enable further enhancement. Through its CSR policy, Blue Star demonstrates its commitment to fostering a stronger and more inclusive India by promoting social and economic development initiatives that improve lives and livelihoods. Details of Blue Star's CSR activities and their impact can be found in Annexure 2 of the Board's Report and the Integrated Report.

In addition to its CSR endeavours, Blue Star extends support to various charitable causes through its philanthropic arm, the Blue Star Foundation, focusing on education and healthcare initiatives. Moreover, local teams at major offices and factories contribute to enhancing health, education, environment, hygiene, and public infrastructure through community-driven projects. Blue Star ensures the optimal utilisation of resources and strives for the best outcomes from its CSR programs by conducting on-site visits and understanding ground-level challenges. As part of the review process, NGO partners assess the impact of various projects periodically, which is then reviewed with Blue Star's CSR team. However, the requirement for an independent agency to conduct impact assessments, as per the Companies (Corporate Social Responsibility Policy) Rules, 2014, is not applicable to Blue Star or under any relevant laws.

Essential Indicators**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year :**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

* During the current Financial Year the Social Impact assessment was not mandatory

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. 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 ₹)
NA						

*No such projects were undertaken by Blue Star

3. Describe the mechanisms to receive and redress grievances of the community.

The Plant head and HR head at Blue Star's manufacturing facilities engage with the communities located in the vicinity on an ongoing basis. The implementing agencies appointed for undertaking CSR initiatives have their own grievance mechanism for the beneficiaries thereunder.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	FY24	FY23
Directly sourced from MSMEs/ small producers	44.57%	78.41%
Directly from within India	82.24%	90.49%

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:

Particular*	FY24	FY23
Rural	-	-
Semi-urban	3%	4%
Urban	19%	13%
Metropolitan	77%	83%

*Locations are classified based on the RBI classification system and Census 2011

Leadership Indicators

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No/NA)

No, Blue Star's Affirmative Action Code of Conduct believes in Supplier Diversity, giving priority opportunities to Dalit entrepreneurs for procurement requisites, and is working systematically towards achieving a minimum of 10% representation of Dalit vendors in its procurement system.

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Apprenticeship Programmes/NETAP	389 trainees	100%
2.	Vocational Training & Workshops	520 trainees	100%
3.	Mohan T Advani Scholarships	227 students	100%
4.	Digital Literacy Programme in Himachal Pradesh	1,063 students	100%
5.	Educational support to Tribal girl Children	25 girls	100%
6.	STEM education in tribal villages at Palghar	650 students	100%
7.	Training and Employability at Himachal Pradesh	1,000 trainees	100%
8.	Skill training centre at Madhya Pradesh	80 trainees	100%
9.	Mobile Science Lab at Sri city	2,500 students	100%
10.	Skill development of vocational trainers	550 trainees	100%
11.	Sports Kits Distribution to Government	1,280 students	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.**Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Blue Star currently has a defined mechanism which is documented through a policy laying out the flow of redressal of complaints received through toll-free number, customer care app, emails, SMS and WhatsApp. The policy is well defined in terms of the review process of the complaints received, resolved and closed as per the defined timelines. In addition to the policy, Blue Star also has a digital tool in place, named Star Serve (web & mobile application), which acts as an interface portal for channel partners and service technicians. Blue Star currently has a process in place wherein the complaints received through call centres and mails are collated and reviewed quarterly for closure.

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Particular	FY24			FY23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	41	68*	*Total pending consumer court cases as at the end of the respective Financial Year, includes cases pending from previous years that were not closed.
Other	26,94,664	45,010	NA	0	0	NA

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

<https://www.bluestarindia.com/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact

0

b. Percentage of data breaches involving personally identifiable information of customers

0

c. Impact, if any, of the data breaches

NA

Leadership Indicator

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on products and services of the entity can be accessed at Blue Star's website at <https://www.bluestarindia.com/>. The product information can also be found on the social media handles of Blue Star.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The authorised channel partners of Blue Star are constantly informed about the safe usage of its products which is in turn communicated to the end users as well. Responsible usage intimation of its products is also carried out during the periodic service that takes place at the customer site. All the product manuals issued by Blue Star mention in detail about the product handling and usage. Blue Star also has In Shop Demonstrators (ISD) present at strategically significant sale centers, who not only aid the promotion of products but also educate the consumers on the technicalities of the products and responsible & safe usage of the products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Blue Star ensures that services to the essential services sector such as healthcare and public delivery are not disrupted. Officials of Blue Star inform the channel partners of any potential disruption in services. For instance, Blue Star continued to provide services during the COVID-19 pandemic. Blue Star also has a facility for remote monitoring of chillers installed at the customer's premises which is used to alert the customers and help them mitigate any potential disruption.

Building on its commitment to service reliability, Blue Star also has in place a Business Continuity Management Systems Policy along with Standard Operating Procedures to keep its critical processes operational and continue delivery of its products and services within acceptable timeframes at predefined capacity in the event of a disruption.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NA)

Yes

a. If yes, provide details in brief.

The product information is displayed as per the mandates; Blue Star displays additional information depending on the type of products: like the type of refrigerant; type of air conditioner – Inverter or fixed speed; customer service information; safety instructions; details on the blowing agent for commercial refrigeration products, etc.

b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

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, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules,

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	<p>Accounting for fixed price contracts</p> <p>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.</p> <p>(Refer Note 16, 24, 28 and 50)</p>	<p>Principal audit procedure performed included the following:</p> <ul style="list-style-type: none"> i. assessed the appropriateness of the accounting policy for recognizing revenue on fixed price contracts with the requirements of Ind AS 115. ii. evaluated the design and implementation of internal controls over recording of actual cost till date and estimation of total cost required to complete the performance obligations. iii. tested the operating effectiveness of the said internal controls for a selected sample of contracts. 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.

2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Independent Auditor’s Report (Contd.)

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	<p>Assessment of the carrying value of trade receivables and contract assets:</p> <p>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.</p> <p>(Refer Note 13 and 16)</p>	<p>Principal audit procedures performed:</p> 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 a joint ventures is traced from their financial statements audited by 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 THOSE CHARGED WITH GOVERNANCE 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

Independent Auditor's Report (Contd.)

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 Ind AS and other accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group of its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence

the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

- a) We did not audit the financial statements / financial information of seven subsidiaries, whose financial statements / financial information reflect total assets of Rs. 373.52 crore as at March 31, 2024, total revenues of Rs. 526.97 crore and net cash outflows amounting to Rs. 7.51 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of Rs. 0.49 crore for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management.

These subsidiaries and joint venture are located outside India whose financial statements / financial and other information have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by the other auditors under generally accepted auditing standards applicable in such countries. The Parent's management has converted these financial statements from accounting principles generally accepted in respective countries to accounting principles generally accepted in India, where applicable. We have audited these conversion adjustments made by the Parent's management. Our report on the 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, the conversion adjustments prepared by the Management of the Parent and audited by us, 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 Rs. Nil as at March 31, 2024, total revenues of Rs. Nil and net cash inflows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements.

This 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

Independent Auditor's Report (Contd.)

it relates to the amounts and disclosures included in respect of these subsidiaries, 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, this financial statements / financial information are not material to the Group.

- c) The consolidated financial statements also include the Group's share of net profit of Rs. Nil for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of a joint venture, whose financial information has not been audited by us. The carrying amount of investment is fully provided for by the Group. In our opinion and according to the information and explanations given to us by the Board of Directors, having regards to the above, this entity is 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/ financial information of the subsidiaries, 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 so far as it appears from our examination of those books, returns and the reports of the other auditors, except for matters stated in (i)(vi) below.
 - 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 as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
 - g) 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 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.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies, incorporated in India, the remuneration paid by the Parent and such subsidiary companies, to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) 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

Independent Auditor's Report (Contd.)

- consolidated financial position of the Group, its joint ventures - Refer Note 38 to the consolidated financial statements;
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 25 to the consolidated financial statements;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v) The final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in note 19 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Based on our examination which included test checks, and based on the auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Parent Company and its subsidiary companies, have used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled at the database level to log any direct data changes.

Independent Auditor's Report (Contd.)

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora

Partner
(Membership No.100459)
(UDIN: 24100459BKFATA6040)

Place: Mumbai

Date: May 02, 2024

Annexure “A” to the Independent Auditor’s Report

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO 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, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Blue Star Limited (hereinafter referred to as “the Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI) These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on 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, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS.

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Annexure "A" to the Independent Auditor's Report (Contd.)

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.

Place: Mumbai

Date: May 02, 2024

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, 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: 24100459BKFATA6040)

Consolidated Balance Sheet

as at March 31, 2024

(₹ Crores)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
A ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4	980.01	705.97
(b) Capital work-in-progress	5	108.06	60.93
(c) Investment property	6	9.72	10.32
(d) Right-of-use assets	7	81.59	83.64
(e) Intangible assets	8A	93.22	58.96
(f) Intangible assets under development	8B	19.00	22.39
(g) Financial assets			
(i) Investments	9	17.88	18.22
(ii) Loans	10	5.86	4.69
(iii) Other financial assets	11	25.20	20.18
(h) Income tax assets (net)	27	118.98	116.99
(i) Deferred tax assets	27	7.28	7.94
(j) Other non-current assets	16	111.42	86.40
Total non-current assets		1,578.22	1,196.63
2. Current assets			
(a) Inventories	12	1,407.18	1,433.39
(b) Financial assets			
(i) Investments	9	248.92	129.88
(ii) Trade receivables	13	1,952.56	1,548.82
(iii) Cash and cash equivalents	14	373.64	239.35
(iv) Other bank balances	15	3.73	3.94
(v) Loans	10	2.62	1.92
(vi) Other financial assets	11	40.05	17.95
(c) Other current assets	16	1,011.33	873.73
Non-current assets held for sale	4	-	1.63
Total current assets		5,040.03	4,250.61
Total assets		6,618.25	5,447.24
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	17	41.12	19.26
(b) Other equity	18	2,568.96	1,311.39
Equity attributable to equity holders of the Company		2,610.08	1,330.65
2. Non controlling interest		2.55	3.19
Total equity		2,612.63	1,333.84
3. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	-	161.74
(ii) Lease liabilities	22	54.53	63.41
(b) Government grants	26	7.66	7.57
(c) Deferred tax liabilities	27	6.98	-
(d) Other non-current liabilities	24	40.91	37.34
(e) Provisions	25	15.93	11.41
Total non-current liabilities		126.01	281.47
4. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	166.62	415.90
(ii) Lease liabilities	22	21.78	20.90
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	21	227.89	160.53
(b) Total outstanding dues of creditors other than micro and small enterprises	21	2,388.71	2,350.63
(iv) Other financial liabilities	23	51.81	49.06
(b) Government grants	26	1.17	1.08
(c) Income tax liabilities (net)	27	63.33	63.01
(d) Other current liabilities	24	881.44	705.82
(e) Provisions	25	76.86	65.00
Total current liabilities		3,879.61	3,831.93
Total equity and liabilities		6,618.25	5,447.24

Summary of material accounting policies

2

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

1 to 54

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Ketan Vora

Partner

Membership No. 100459

Mumbai: May 02, 2024

For and on behalf of the Board of Directors of

BLUE STAR LIMITED**Vir S. Advani****B. Thiagarajan****Nikhil Sohoni****Rajesh Parte**

Chairman and Managing Director (DIN: 01571278)

Managing Director (DIN: 01790498)

Group Chief Financial Officer

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ Crores)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	28	9,685.36	7,977.32
Other income	29	47.42	30.87
Total income (I)		9,732.78	8,008.19
Expenses			
Cost of raw materials consumed (including direct project and service cost)	30	6,146.48	5,149.35
Purchase of stock-in-trade	30	1,161.80	1,217.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	83.69	(185.33)
Employee benefits expense	31	749.48	592.15
Finance costs	32	58.08	54.70
Depreciation and amortisation expense	33	97.61	84.78
Other expenses	34	878.97	710.72
Total expenses (II)		9,176.11	7,624.02
Profit before share of profit of joint venture, exceptional items and tax (I-II)		556.67	384.17
Share of profit of joint venture		0.49	0.40
Profit before exceptional items and tax		557.16	384.57
Exceptional items	35	-	170.81
Profit before tax		557.16	555.38
Tax expense			
i) Current tax	27	134.89	135.03
ii) Deferred tax	27	7.96	19.66
Total tax expense		142.85	154.69
Profit for the year		414.31	400.69
Other comprehensive income / (loss)			
(A) Item that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(2.41)	(0.18)
Income tax relating to items that will not be reclassified to profit / (loss)	27	0.58	0.06
(B) Item that will be reclassified to profit or loss :			
Foreign currency translation reserve		1.12	9.04
Income tax relating to items that will be reclassified to profit / (loss)	27	-	-
		(0.71)	8.92
Total comprehensive income for the year		413.60	409.61
Profits for the year attributable to :			
Owners of the parent		414.95	400.46
Non-controlling interests		(0.64)	0.23
Other comprehensive income attributable to :			
Owners of the parent		(0.77)	8.68
Non-controlling interests		0.06	0.24
Total comprehensive income for the year attributable to :			
Owners of the parent		414.18	409.14
Non-controlling interests		(0.58)	0.47
Earnings per share (face value of ₹ 2 per share)	36		
Basic (in ₹)		20.77	20.80
Diluted (in ₹)		20.77	20.80

Summary of material accounting policies

2

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

1 to 54

In terms of our report attached

For and on behalf of the Board of Directors of

For DELOITTE HASKINS & SELLS LLP

BLUE STAR LIMITED

Chartered Accountants

Ketan Vora

Vir S. Advani

Chairman and Managing Director (DIN: 01571278)

Partner

B. Thiagarajan

Managing Director (DIN: 01790498)

Membership No. 100459

Nikhil Sohoni

Group Chief Financial Officer

Rajesh Parte

Company Secretary

Mumbai: May 02, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(A) Equity Share Capital

For the year ended March 31, 2024

(₹ Crores)

Balance as at April 01, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at March 31, 2024
19.26	-	-	21.86	41.12

For the year ended March 31, 2023

(₹ Crores)

Balance as at April 01, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at March 31, 2023
19.26	-	-	-	19.26

(B) Other Equity

For the year ended March 31, 2024

(₹ Crores)

Particulars	Reserves and surplus						Other comprehensive income	Total other equity
	Securities premium (refer note 18)	Capital redemption reserve (refer note 18)	Capital subsidy from government (refer note 18)	Capital reserve (refer note 18)	General reserve (refer note 18)	Retained earning (refer note 18)	Foreign currency translation reserve (refer note 18)	
Balance as at April 01, 2023	210.15	2.34	0.60	43.43	152.21	887.09	15.57	1,311.39
Profit for the year	-	-	-	-	-	414.95	-	414.95
Adjustment during the year	-	-	-	-	(2.05)	-	-	(2.05)
Other comprehensive Income for the year (net of tax)	-	-	-	-	-	(1.83)	1.12	(0.71)
Total comprehensive income for the year	-	-	-	-	-	413.12	1.12	412.19
Issue of bonus equity shares	(19.26)	-	-	-	-	-	-	(19.26)
Premium on allotment of equity shares	997.40	-	-	-	-	-	-	997.40
Expenses on allotment of equity shares	(17.18)	-	-	-	-	-	-	(17.18)
Dividend (refer note 19)	-	-	-	-	-	(115.58)	-	(115.58)
Balance as at March 31, 2024	1,171.11	2.34	0.60	43.43	150.16	1,184.64	16.69	2,568.96

For the year ended March 31, 2023

(₹ 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)	Retained earning (refer note 18)	Foreign currency translation reserve (refer note 18)	
Balance as at April 01, 2022	210.15	2.34	0.60	43.43	152.21	583.06	6.53	998.32
Profit for the year	-	-	-	-	-	400.46	-	400.46
Other Comprehensive Income (net of tax)	-	-	-	-	-	(0.12)	9.04	8.92
Total comprehensive income for the year	-	-	-	-	-	400.34	9.04	409.38
Dividend (refer note 19)	-	-	-	-	-	(96.31)	-	(96.31)
Balance as at March 31, 2023	210.15	2.34	0.60	43.43	152.21	887.09	15.57	1,311.39

Summary of material accounting policies

2

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

1 to 54

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Ketan Vora

Partner

Membership No. 100459

Mumbai: May 02, 2024

For and on behalf of the Board of Directors of

BLUE STAR LIMITED

Vir S. Advani
B. Thiagarajan
Nikhil Sohoni
Rajesh Parte

Chairman and Managing Director (DIN: 01571278)
 Managing Director (DIN: 01790498)
 Group Chief Financial Officer
 Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	557.16	555.38
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	97.61	84.78
Finance cost	58.08	54.70
Rental income	(0.50)	(1.12)
Interest income	(7.50)	(5.47)
Gain on sale of mutual fund	(17.88)	(10.34)
Net unrealised foreign exchange (gain) / loss	(0.68)	2.24
Loss on sale of property, plant and equipment other than freehold land	3.66	6.95
Profit on sale of freehold land (exceptional item)	-	(170.81)
Deferred income arising from government grant	(5.37)	(3.27)
Share in profit of joint venture	(0.49)	(0.40)
Unrealised gain on commodity hedging	(1.37)	-
Bad debts written off and provision for doubtful debts	72.60	65.76
Provisions and liabilities written back	(53.32)	(30.14)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	702.00	548.26
Adjustments for movement in working capital :		
(Increase)/decrease in trade receivables	(478.90)	(406.18)
(Increase)/decrease in inventories	26.22	(289.12)
(Increase)/decrease in other assets / financial assets	(181.68)	(181.44)
Increase/(decrease) in trade payables	160.51	487.85
Increase/(decrease) in other liabilities	182.36	169.75
Increase/(decrease) in government grants	2.91	2.22
Increase/(decrease) in provisions	12.11	4.55
Cash generated from operations	425.53	335.89
Direct taxes paid	(136.31)	(92.66)
Net cash generated from operating activities (A)	289.22	243.23
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and other intangible assets [including capital work-in-progress and intangible under development]	(440.96)	(360.36)
Government grants toward purchase of equipment	2.63	-
Proceeds from sale of property, plant and equipment	5.07	7.41
Proceeds from sale of freehold land (exceptional item)	-	170.83
Direct taxes paid on sale of freehold land (exceptional item)	-	(34.81)
Sale of current investments	5,637.24	3,691.11
Purchase of current investments	(5,738.40)	(3,665.63)
Rent received	0.50	1.12
Interest received	9.30	8.67
Net cash used in investing activities (B)	(524.62)	(181.66)

Consolidated Statement of Cash Flows
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Commercial papers borrowed	1,525.00	900.00
Commercial papers repaid	(1,575.00)	(750.00)
Proceeds from / (repayment of) other current borrowings (net)	2.87	44.99
Proceeds from non-current borrowings	150.00	93.17
Repayment of non-current borrowings	(518.59)	(175.00)
Repayment of lease liabilities	(23.45)	(26.37)
Finance cost paid	(63.55)	(66.36)
Proceeds from issue of equity shares	1,000.00	-
Initial cost on issue of equity shares	(16.64)	-
Dividend paid to owners of the Company	(115.81)	(96.37)
Net cash generated / (used) in financing activities (C)	364.83	(75.94)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	129.43	(14.37)
Cash and cash equivalents at the beginning of the year	227.47	238.63
Effect of exchange differences on restatement of foreign currency cash and cash equivalents.	0.39	3.21
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	357.29	227.47
CASH AND CASH EQUIVALENTS COMPRISES OF :		
Balances with banks:		
– In current accounts	182.88	144.36
– In fixed deposits	190.26	94.41
Cash on hand	0.50	0.58
Total cash and cash equivalents (refer note 14)	373.64	239.35
– Bank overdraft (refer note 20)	(16.35)	(11.88)
Balance as per statement of cash flows	357.29	227.47

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, 2024 :

(₹ Crores)

Particulars	Non current borrowings	Current borrowings	Lease liabilities
At the beginning of the year	161.74	415.90	84.31
Cash flows during the year (net)	(368.59)	(47.13)	(23.45)
Current maturity of long term borrowings	206.85	(206.85)	-
Amortisation of upfront fees on borrowing	-	-	-
Bank overdraft	-	4.47	-
Variation in foreign exchange	-	0.23	-
At the end of the year (excluding interest liability on borrowings)	-	166.62	60.86
Non cash changes due to :			
-Acquisitions under finance lease	-	-	7.54
-Interest on finance lease	-	-	7.91
-Interest on borrowings (clubbed under other financial liabilities)	-	-	-
At the end of the year (including interest liability on borrowings)	-	166.62	76.31

Consolidated Statement of Cash Flows
for the year ended March 31, 2024 (Contd.)

Reconciliation between the opening and closing balances for liabilities arising from financing activities for the year ended March 31, 2023 :

(₹ Crores)

Particulars	Non current borrowings	Current borrowings	Lease liabilities
At the beginning of the year	241.57	236.26	75.87
Cash flows during the year (net)	93.17	4.85	(26.37)
Current maturity of long term borrowings	(174.43)	174.43	-
Amortisation of upfront fees on borrowing	1.43	-	-
Variation in foreign exchange	-	0.36	-
At the end of the year (excluding interest liability on borrowings)	161.74	415.90	49.50
Non cash changes due to :			
-Acquisitions under finance lease	-	-	26.85
-Interest on finance lease	-	-	7.96
-Interest on borrowings (clubbed under other financial liabilities)	11.64	-	-
At the end of the year (including interest liability on borrowings)	173.38	415.90	84.31

Summary of material accounting policies

2

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

1 to 54

In terms of our report attached

For and on behalf of the Board of Directors of

For DELOITTE HASKINS & SELLS LLP**BLUE STAR LIMITED**

Chartered Accountants

Ketan Vora**Vir S. Advani**

Chairman and Managing Director (DIN: 01571278)

Partner

B. Thiagarajan

Managing Director (DIN: 01790498)

Membership No. 100459

Nikhil Sohoni

Group Chief Financial Officer

Rajesh Parte

Company Secretary

Mumbai: May 02, 2024

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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.

The financial statements of the Group were approved by its Board of Directors on May 02, 2024.

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

The 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 comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries as at

March 31, 2024. The Consolidated Financial Statements comprises of Blue Star Limited and all its subsidiaries, being the entities that it controls. Control is assessed in accordance with the requirement of Ind AS 110 – Consolidated Financial Statements.

Subsidiaries:

The Parent consolidates the financial statements of all subsidiaries it controls. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary of the Group uses accounting policies other than those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, appropriate adjustments are made to that Group entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. All intragroup assets, liabilities, equity, income, expense, cash flows, and unrealised gains/ losses relating to transactions between Group entities are eliminated on consolidation.

Principles of Consolidation :

- (a) The financial statements of the Company 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.
- (b) 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.
- (c) 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

exchange difference arising on consolidation recognised in the Foreign Currency Translation Reserve (FCTR).

- (d) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- (e) Non-Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- (f) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

(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.

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 recognised as assets and amortised over the term of the contract.

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

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:

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

- i. service cost – recognised in profit or loss;
- ii. net interest on the net liability or asset - recognised in profit or loss;
- iii. re-measurement of the net liability or asset - recognised 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 defined benefit obligation at the balance sheet date.

Code on Social Security, 2020

The Code on Social Security, 2020 ('the Code') received presidential assent on September 28, 2020. However, the date on which the Code will come into effect has not yet been notified. The 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

At the date of commencement of a lease, the Group recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for short-term leases and low-value leases. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

(a) Right-of-use asset :

The 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 "m" Impairment of non-financial assets.

(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 Group changes its assessment of whether it will exercise an extension or a termination option.

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

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

As a lessor

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

(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 the statement of changes in equity.

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

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

Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions, and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii. Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income 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 income 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 income tax asset to be utilised.

(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.

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

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

Nature of tangible asset	Useful life (years)
Factory buildings	30
Other buildings	60
Roads	5
Temporary structure	3
Plant & machinery (Pattern, moulds and dies)	8-20
Furniture and fixtures	10
Office equipment	5
Vehicles	8
Computer - desktop, laptops, servers and networks.	3
Leasehold improvements	6 or the life based on lease period, whichever is lower

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

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

The group has not revalued its Property plant and equipment (Including ROU), and Intangible assets.

Freehold land is not depreciated.

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

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

With effect from October 1, 2022, the Group has revised the method of depreciation on property, plant and equipment (PPE) from Written Down Value (WDV) method to Straight Line Method (SLM) based on technical assessment done by independent technical consultants with regards to estimated useful lives of the assets and pattern of economic benefits expected to be generated from these assets. This change in depreciation method has resulted in lower depreciaton expense in the Statement of Profit and Loss by ₹ 18.11 crores for the year ended March 31, 2023. It is impracticable to estimate estimate the impact of above change on the future periods

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) 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 know how (Internally generated)	6 years

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

Research and development costs

Research costs are expensed as incurred. Development expenditure on projects is recognised as an intangible asset when the 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.

(m) Impairment of non-financial assets

Property, plant and equipment, right of use assets and intangible assets with finite lives are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined for the individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and an impairment loss is recognised in profit or loss.

(n) 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 recognised 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 recognised in profit or loss.

Financial assets

Cash and cash equivalents

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

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within

a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Trade Receivables

Trade receivables are financial assets within the scope of measurement requirements of Ind AS 109. All 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.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

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.

Other financial liabilities

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 amortised 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 a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

Derivative financial instruments

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the 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:

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

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.

(o) 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 realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(p) Provisions and contingencies

Provisions

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

Warranty provisions

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

Contingencies

Contingent liabilities exist when there is a possible obligation arising from past events, the existence 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.

(q) 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".

(r) 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 Company by the weighted average number of equity shares outstanding during the year.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(s) 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.

(t) 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.

(u) 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,
- 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.

Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

of costs incurred to date and future costs projections against budgets, on the basis of 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 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 Company reviews the policy at regular intervals.

Useful lives of property, plant and equipment and intangible assets

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

Employee benefit plans

The present value of defined benefit obligations is determined on an actuarial basis using 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 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 realisability 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 utilised. The amount of the deferred income tax assets considered realisable, however, could be reduced if estimates of future taxable income during the carry forward period are reduced.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**4 PROPERTY PLANT AND EQUIPMENT**

(₹ Crores)

Particulars	Land - freehold	Leasehold Improvements	Buildings	Plant and equipment	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total
Gross carrying value									
As at April 01, 2022	15.35	25.83	107.73	324.50	15.56	8.80	31.67	31.35	560.79
Additions during the year	-	6.91	172.30	252.66	3.87	7.99	17.08	2.04	462.85
Disposals / transfers during the year	(0.02)	(0.70)	(5.74)	(14.75)	(3.41)	(2.16)	(5.19)	(1.27)	(33.24)
Reclassification during the year	-	(1.12)	0.64	1.16	-	(0.68)	-	-	-
Foreign currency translation	-	0.06	0.04	0.03	0.04	0.05	0.06	0.04	0.32
As at March 31, 2023	15.33	30.98	274.97	563.60	16.06	14.00	43.62	32.16	990.72
As at April 01, 2023	15.33	30.98	274.97	563.60	16.06	14.00	43.62	32.16	990.72
Additions during the year	-	48.89	47.46	202.50	2.88	8.14	18.60	12.85	341.32
Disposals / transfers during the year	-	-	(0.48)	(9.04)	(1.07)	(0.79)	(8.54)	(1.77)	(21.69)
Foreign currency translation	-	0.01	0.01	0.08	0.03	0.01	0.08	0.04	0.26
As at March 31, 2024	15.33	79.88	321.96	757.14	17.90	21.36	53.76	43.28	1,310.61
Accumulated Depreciation									
As at April 01, 2022	-	5.84	45.05	143.55	9.88	5.50	17.64	27.80	255.26
Disposals / transfers during the year	-	(0.56)	(0.46)	(10.99)	(3.34)	(2.10)	(4.05)	(1.23)	(22.73)
Depreciation charged for the year	-	1.93	7.26	32.53	1.27	1.60	6.03	1.60	52.22
As at March 31, 2023	-	7.21	51.85	165.09	7.81	5.00	19.62	28.17	284.75
As at April 01, 2023	-	7.21	51.85	165.09	7.81	5.00	19.62	28.17	284.75
Disposals / transfers during the year	-	-	(0.46)	(6.89)	(0.99)	(0.75)	(6.30)	(1.70)	(17.09)
Depreciation charged for the year	-	2.84	8.92	37.54	0.83	2.65	7.43	2.73	62.94
As at March 31, 2024	-	10.05	60.31	195.74	7.65	6.90	20.75	29.20	330.60
Net Book Value									
As at March 31, 2024	15.33	69.83	261.65	561.40	10.25	14.46	33.01	14.08	980.01
As at March 31, 2023	15.33	23.77	223.12	398.51	8.25	9.00	24.00	3.99	705.97

Note :

1. All the title deeds of immovable property (other than properties on lease) are in the name of the Group.

(₹ Crores)

Non-current asset held for sale	As at March 31, 2024	As at March 31, 2023
Opening : Non-current asset held for sale	1.63	5.90
Additions during the year	0.15	2.51
Less : Discard and disposals made during the year	(1.78)	(6.78)
Less : Impairment allowance	-	-
Closing : Non-current asset held for sale	-	1.63

5 CAPITAL WORK IN PROGRESS

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital work in progress (refer below note)	108.06	60.93
Total Capital Work in Progress	108.06	60.93

Note : Capital work in progress includes interest on borrowings of ₹ 1.74 crores (March 31, 2023 ₹ 7.99 crores) capitalised

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Ageing of Capital work in progress

(₹ Crores)

Particulars	As at March 31, 2024					As at March 31, 2023				
	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	104.78	2.76	0.52	-	108.06	49.01	11.92	-	-	60.93
Projects temporary suspended	-	-	-	-	-	-	-	-	-	-
Total capital work in progress	104.78	2.76	0.52	-	108.06	49.01	11.92	-	-	60.93

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, plan and equipment 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
Gross carrying value	
As at April 01, 2022	17.91
Additions during the year	-
Disposals / transfers during the year	-
As at March 31, 2023	17.91
Additions during the year	-
Disposals / transfers during the year	-
As at March 31, 2024	17.91
Accumulated Depreciation	
As at April 01, 2022	6.84
Depreciation charged for the year	0.75
As at March 31, 2023	7.59
Depreciation charged for the year	0.60
As at March 31, 2024	8.19
Net Book Value	
As at March 31, 2024	9.72
As at March 31, 2023	10.32
Fair Value * (refer note 43)	
As at March 31, 2024	35.99
As at March 31, 2023	34.88

*Valuation is based on fair value assessment done by registered valuer as defined under rule 2 of Companies (Register Valuers and Valuation), Rules 2017.

Assets given on operating lease

i) The Group has entered into lease arrangements, for renting the following:

Category of asset	Area (Sq. ft)	Period
Building (Sahas)	2,050	5 years

(ii) Disclosure in respect of assets given on operating lease included in following heads :

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Investment property	*	*

* Indicates amount less than ₹ 1 lakh

Movement in Fair Valuation of Investment Property

Particulars	₹ Crores
As at March 31, 2023	34.88
Increase in Fair Valuation	1.11
As at March 31, 2024	35.99

Information regarding Income & Expenditure of Investment property

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Rental income derived from investment property	0.50	1.12
Direct operating expenses (including repairs and maintenance) associated with rental income	-	-
Profit arising from investment property before depreciation and indirect expenses	0.50	1.12
Less : Depreciation charged during the year	(0.60)	(0.75)
Profit arising from investment property before indirect expenses	(0.11)	0.37

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.

7 RIGHT OF USE ASSETS

(₹ Crores)

Particulars	Land - leasehold	Building	Total
Gross carrying value			
As at April 01, 2022	3.41	115.68	119.09
Additions during the year	1.29	27.82	29.11
Disposals / transfers during the year	-	-	-
As at March 31, 2023	4.70	143.50	148.20
As at April 01, 2023	4.70	143.50	148.20
Additions during the year	9.18	8.00	17.18
Disposals / transfers during the year	-	(1.24)	(1.24)
As at March 31, 2024	13.88	150.26	164.14
Accumulated Amortisation			
As at April 01, 2022	0.16	44.40	44.56
Disposals / transfers during the year	-	-	-
Amortisation for the year	0.04	19.96	20.00
As at March 31, 2023	0.20	64.36	64.56
As at April 01, 2023	0.20	64.36	64.56
Disposals / transfers during the year	-	-	-
Amortisation for the year	0.25	17.74	17.99
As at March 31, 2024	0.45	82.10	82.55
Net Book Value			
As at March 31, 2024	13.43	68.16	81.59
As at March 31, 2023	4.50	79.14	83.64

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

8 A. INTANGIBLE ASSETS

(₹ Crores)

Particulars	Technical knowhow (Internally generated)	Software (Acquired)	Total
Gross carrying value			
As at April 01, 2022	64.31	93.56	157.87
Additions during the year	20.43	12.29	32.72
Disposals / transfers during the year	-	(0.05)	(0.05)
As at March 31, 2023	84.74	105.80	190.54
As at April 01, 2023	84.74	105.80	190.54
Additions during the year	36.67	19.52	56.19
Disposals / transfers during the year	(1.45)	(0.02)	(1.47)
As at March 31, 2024	119.96	125.30	245.26
Amortisation			
As at April 01, 2022	50.70	65.50	116.20
Disposals / transfers during the year	-	(0.05)	(0.05)
Amortisation for the year	4.83	10.60	15.43
As at March 31, 2023	55.53	76.05	131.58
As at April 01, 2023	55.53	76.05	131.58
Disposals / transfers during the year	-	-	-
Amortisation for the year	9.14	11.32	20.46
As at March 31, 2024	64.67	87.37	152.04
Net Book Value			
As at March 31, 2024	55.29	37.93	93.22
As at March 31, 2023	29.21	29.75	58.96

8 B. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	19.00	22.39
Total intangible assets under development	19.00	22.39

There are no projects/items forming part of above schedule whose completion is overdue or has exceeded its cost compared to its original plan.

9 INVESTMENTS

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
I. Non current investments		
Investment in equity instruments measured at amortised cost		
Unquoted (accounted under equity method)		
Investment in joint ventures (refer note 41)		
3,67,500 (March 31, 2023 : 3,67,500) fully paid equity shares of MR 1 each in Blue Star M & E Engineering (Sdn) Bhd	17.88	18.22
2,55,000 (March 31, 2023 : 2,55,000) Fully paid Equity shares of OMR 1 each in Blue Star Oman Electro-Mechanical Co. LLC (refer note a. below)	-	-
Total non current investments	17.88	18.22

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
II. Current investments		
Investment in mutual funds measured at FVTPL		
Investment in unquoted units of mutual funds		
Growth Scheme		
68,590 Units (March 31, 2023: 38,154 Units) in HDFC Mutual Fund	32.52	13.20
1,16,697 Units (March 31, 2023: 78,662) in UTI Mutual Fund	38.78	24.14
17,86,404 Units (March 31, 2023: 3,04,193 Units) in Aditya Birla Mutual Fund	69.56	25.18
678 Units (March 31, 2023 : 2,54,832 Units) in Axis Mutual Fund	0.18	30.20
51,576 Units (March 31, 2023 : 3,10,716 Units) in Kotak Mutual Fund	25.14	37.16
1,64,866 Units in ICICI Mutual Fund	5.89	-
96,580 Units in Nippon India Mutual Fund	41.61	-
93,252 Units in SBI Mutual Fund	35.24	-
Total Current Investments	248.92	129.88

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Joint Venture - Blue Star Oman Electro - Mechanical Co. LLC.	4.34	4.34
Less : Impairment Loss	(4.34)	(4.34)
Balance	-	-

10 LOANS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Measured at amortised cost				
Loans to employees, considered good	5.86	4.69	2.62	1.92
Loan to joint venture - credit impaired (related party refer note 39)	4.46	4.46	-	-
Less: Allowance for doubtful loan (refer point no. 3 below)	(4.46)	(4.46)	-	-
Total loans	5.86	4.69	2.62	1.92

- 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.
- 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
 - 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 to or on behalf of the Ultimate Beneficiaries.
- 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. During the year, W.J. Towell & Co LLC, an entity based in Oman, with whom the Company had entered into Shareholders' Agreement dated October 01, 2015 for managing affairs of Blue Star Oman Electro Mechanical Company, has filed arbitration proceedings against the Company with International Chamber of Commerce. The claims filed by W.J. Towell & Co LLC. are frivolous, unsubstantiated, premised on fundamental factual misstatements and contrary to the overwhelming facts and evidence. The Company is taking requisite steps to safeguard its interest.
- Loan given to employees are as per terms of employment

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

11 OTHER FINANCIAL ASSETS

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Security deposits, considered good	21.24	14.59	12.48	13.97
Security deposits, credit impaired	-	-	2.39	1.45
Less: Allowance for doubtful deposits	-	-	(2.39)	(1.45)
	21.24	14.59	12.48	13.97
Bank deposit with more than 12 months maturity (including interest accrued thereon)*	3.96	5.59	-	-
Interest accrued on fixed deposit	-	-	1.92	3.98
Other financial assets	-	-	24.13	-
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges				
foreign exchange forward contracts**	-	-	0.16	#
Commodity forward contract***	-	-	1.36	-
Total other financial assets	25.20	20.18	40.05	17.95

Indicates amount less than ₹ 1 lakh.

*Margin money deposits with a carrying amount of ₹ 3.96 crores (As at March 31, 2023 : ₹ 5.59 crores) are subject to a first charge as security deposit with customers.

****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.

*****Commodity forward contracts**

The Parent enters into commodity exchange forward contracts with the intention of reducing the fluctuation in price for the purchase of copper, aluminium and other raw material inputs. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

12 INVENTORIES (Valued at lower of cost and net realisable value)

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials & components	592.00	536.91
Work-in-progress	120.10	101.27
Finished goods	297.10	296.29
Stock-in-trade	324.10	427.45
Stores and Spares	73.88	71.47
Total Inventories	1,407.18	1,433.39
Inventories includes Goods-in-transit		
Raw materials & components	92.64	78.29
Finished goods	24.63	10.98
Stock-in-trade	18.77	54.71
Total goods-in-transit	136.04	143.98

The above inventory values are net of provisions made of ₹ 22.36 crores (March 31, 2023 ₹ 18.89 crores) for slow moving, obsolete and defective inventory.

During the year, write down on value of inventory of ₹ 3.47 (March 31, 2023 ₹ 3.22 crores) recognised in statement of profit and loss.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**13 TRADE RECEIVABLES**

(₹ Crores)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - unsecured	2,030.88	1,624.23
Trade receivables - credit impaired	69.01	52.58
	2,099.89	1,676.81
Less : Allowance for doubtful debts and credit loss	(147.33)	(127.99)
Total trade receivables	1,952.56	1,548.82

- (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.

Ageing of trade receivables

(₹ Crores)

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Trade receivables considered good - unsecured	1,018.82	766.34	123.45	79.97	17.47	24.83	2,030.88
Trade receivables - credit impaired	-	0.36	4.60	21.56	24.95	17.54	69.01
	1,018.82	766.70	128.05	101.53	42.42	42.37	2,099.89
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
Total trade receivables	-	-	-	-	-	-	-
	1,018.82	766.70	128.05	101.53	42.42	42.37	2,099.89
Allowance for doubtful debts and credit loss							(147.33)
Total trade receivables	1,018.82	766.70	128.05	101.53	42.42	42.37	1,952.56

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	As at March 31, 2023						
	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	651.91	675.62	88.87	94.92	4.34	107.27	1,622.93
Trade receivables - credit impaired	-	0.78	18.32	3.17	2.74	25.62	50.63
	651.91	676.40	107.19	98.09	7.08	132.89	1,673.56
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	0.12	1.18	1.30
Trade receivables - credit impaired	-	-	-	-	-	1.95	1.95
Total trade receivables	-	-	-	-	0.12	3.13	3.25
	651.91	676.40	107.19	98.09	7.20	136.02	1,676.81
Allowance for doubtful debts and credit loss							(127.99)
Total trade receivables	651.91	676.40	107.19	98.09	7.20	136.02	1,548.82

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, 2024	As at March 31, 2023
Balance as at the beginning of the year	127.99	106.87
Add : Impairment loss recognised (refer note 34)	56.08	53.47
Less : Allowances provided earlier written back	(1.96)	-
Less : Allowances provided earlier written off as bad debts (refer note 34)	(34.78)	(32.35)
Balance at the end of the year	147.33	127.99

14 CASH AND CASH EQUIVALENT

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
<i>Balances with banks:</i>		
- In current accounts	182.88	144.36
- Deposits with original maturity of less than 3 months	190.26	94.41
Cash on hand	0.50	0.58
Total cash and cash equivalents	373.64	239.35

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

15 OTHER BANK BALANCES

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Other bank balances		
- Unpaid dividend * (refer note - 23)	3.61	3.85
- Cash & bank balance not available for immediate use	0.12	0.09
Total other bank balances	3.73	3.94

* The Group can utilise these balances only towards settlement of unpaid dividend and fractional shares.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**16 OTHER ASSETS**

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Contract assets	-	-	769.57	602.58
Less: Allowance for doubtful contract assets	-	-	(39.12)	(26.22)
Contract assets (Net)	-	-	730.45	576.36
Retention	-	-	65.58	73.30
Capital advances	35.60	27.18	-	-
Balance with statutory authorities	60.41	52.79	73.28	95.49
Less: Allowance for doubtful deposits	(5.80)	(5.80)	-	-
Balance with statutory authorities (Net)	54.61	46.99	73.28	95.49
Vendor advances	-	-	90.05	65.39
Less: Allowance for doubtful Vendor Advance	-	-	(1.00)	(1.00)
Vendor advances (Net)	-	-	89.05	64.39
Prepaid expenses	21.21	12.23	47.74	59.84
Government grant receivable	-	-	3.91	4.35
Other assets	-	-	1.32	-
Total other assets	111.42	86.40	1,011.33	873.73

Note :

Balances with statutory authorities (non-current) includes customs duty, integrated goods and services tax, social welfare surcharge deferred against bonded manufacturing scheme (MOOWR Scheme) on import of capital goods in case of one subsidiary company. We have also recognised corresponding liability for the same amount (refer note no. 24) – Other non-current liability.

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

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	26.22	20.60
Impairment loss recognised / reversed	25.44	10.80
Less: Allowances provided earlier written off	(12.54)	(5.18)
Balance as at the end of the year	39.12	26.22

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 01, 2022	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, 2023	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
At March 31, 2024	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

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.

Reconciliation of the number of shares outstanding and the amount of equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ Crores	Number of shares	₹ Crores
Balance as at the beginning of the year	9,63,13,888	19.26	9,63,13,888	19.26
Issue of bonus shares (refer note a)	9,63,13,888	19.26	-	-
Issue of share through QIP (refer note b)	1,29,87,012	2.60	-	-
Balance as at the end of the year	20,56,14,788	41.12	9,63,13,888	19.26

Note :

- Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Company has issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the year ended March 31, 2024. Accordingly, the earnings per share has been adjusted for previous year and presented in accordance with Ind AS 33 - Earnings Per Share.
- The Company raised capital of ₹1,000 crores through Qualified Institutions Placement ("QIP") of equity shares. The Executive management Committee of the Board of Directors of the Company, at its meeting held on September 22, 2023, approved the allotment of 1,29,87,012 equity shares of face value ₹2 each to eligible investors at a price ₹770 per equity share (including a premium of ₹768 per equity share).

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Visra Itcl (India) Limited as a Trustee of Ashok M Advani Family Private Trust	2,39,11,202	11.63%	1,19,55,601	12.41%
Visra Itcl (India) Limited as a Trustee of SMA Family Private Trust	1,56,99,860	7.64%	77,19,930	8.02%
SBI Small Cap Fund	1,59,32,066	7.75%	76,24,216	7.92%
Kotak Emerging Equity Scheme	1,20,67,756	5.87%	52,84,829	5.49%

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash.**

(₹ Crores)

Particulars	As at March 31, 2024
9,63,13,888 equity shares of 2 each of the Company issued as bonus shares for consideration other than cash.	19.26

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, 2024			As at March 31, 2023			
	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%	100.00%	12,27,496	1.27%	-56.59%
Vir S Advani	Promoter	21,49,250	1.05%	100.00%	10,74,625	1.12%	0.00%
Sunaina Sandeep Murthy	Promoter	21,45,050	1.04%	100.00%	10,72,525	1.11%	1378.83%
Dinesh Nanik Vaswani	Promoter	53,888	0.03%	100.00%	26,944	0.03%	0.00%
Suneeta Nanik Vaswani	Promoter Group	17,60,644	0.86%	84.49%	9,54,322	0.99%	-5.36%
Rohina Lulla	Promoter Group	43,49,260	2.12%	272.18%	11,68,594	1.21%	0.00%
Anissa Khanna	Promoter Group	42,65,646	2.07%	278.57%	11,26,787	1.17%	0.00%
Nargis Suneel Advani	Promoter Group	22,73,872	1.11%	100.00%	11,36,936	1.18%	111.75%
Sanjay N Vaswani	Promoter Group	2,43,950	0.12%	100.00%	1,21,975	0.13%	0.00%
Armaan Sandeep Murthy	Promoter Group	1,00,000	0.05%	100.00%	50,000	0.05%	0.00%
Jay Talati Advani	Promoter Group	1,00,000	0.05%	100.00%	50,000	0.05%	0.00%
Sumer Sandeep Murthy	Promoter Group	1,00,000	0.05%	100.00%	50,000	0.05%	0.00%
Uday Vir Advani	Promoter Group	1,00,000	0.05%	100.00%	50,000	0.05%	0.00%
Anita Ashok Advani	Promoter Group	60,000	0.03%	100.00%	30,000	0.03%	0.00%
Dev Khanna	Promoter Group	39,250	0.03%	100.00%	19,625	0.02%	0.00%
Preeti Vaswani	Promoter Group	53,700	0.02%	-	26,850	0.03%	-
Vistra Itcl (India) Limited as a Trustee of Ashok M Advani Family Private Trust	Promoter Group	2,39,11,202	11.63%	100.00%	1,19,55,601	12.41%	0.00%
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	Promoter Group	1,56,99,860	7.64%	103.37%	77,19,930	8.02%	0.00%
Ashok Mohan Advani as a Trustee of Suneeta Padmi Trust	Promoter Group	11,75,344	0.57%	100.00%	5,87,672	0.61%	0.00%
Ashok Mohan Advani as a Trustee of Annisa Rohina Trust*	Promoter Group	-	0.00%	0.00%	20,12,072	0.00%	0.00%
Vistra Itcl (India) Limited as a Trustee of NSA Family Trust	Promoter Group	46,00,000	2.24%	100.00%	23,00,000	2.39%	0.00%
Vistra Itcl (India) Limited as a Trustee of SNA Family Trust	Promoter Group	46,00,000	2.24%	100.00%	23,00,000	2.39%	0.00%
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust	Promoter Group	11,48,284	0.56%	106.66%	5,55,642	0.58%	2.49%
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust	Promoter Group	11,48,280	0.56%	106.66%	5,55,640	0.58%	2.49%
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust 2	Promoter Group	11,48,280	0.56%	106.66%	5,55,640	0.58%	2.49%
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust 2	Promoter Group	11,48,278	0.56%	106.66%	5,55,639	0.58%	2.49%
J.T. Advani advisory Private Limited	Promoter Group	1,04,344	0.05%	100.00%	52,172	0.05%	0.00%
Iman Rajiv Lulla	Promoter Group	39,250	0.02%	100.00%	19,625	0.02%	0.00%
Rana Rajiv Lulla	Promoter Group	39,250	0.02%	100.00%	19,625	0.02%	0.00%
Ashwin Vaswani	Promoter Group	12,000	0.01%	-	6,000	0.01%	-
Nandeeta Vaswani	Promoter Group	12,000	0.01%	-	6,000	0.01%	-

*Note : Pursuant to dissolution of Anissa and Rohina Trust, the shares lying in Trust were equally transferred to Anissa Khanna and Rohina Lulla.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**18 OTHER EQUITY**

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Premium		
Balance as at the beginning of the year	210.15	210.15
Add: Issue of bonus equity shares	(19.26)	-
Add: Premium on allotment of equity shares	997.40	-
Add: Expenses on allotment of equity shares	(17.18)	-
Balance as at the end of the year	1,171.11	210.15
Capital redemption reserve	2.34	2.34
Capital subsidy from government	0.60	0.60
Capital reserve	43.43	43.43
General Reserve		
Balance as at the beginning of the year	152.21	152.21
Less : Adjustment during the year	(2.05)	-
Balance as at the end of the year	150.16	152.21
Retained Earnings		
Balance as at the beginning of the year	887.09	583.06
Add: Profit for the year	414.95	400.46
Less : Other comprehensive Income for the year (net of tax) [Re-measurement gains/(losses) on defined benefit plans]	(1.83)	(0.12)
Less: Dividend	(115.58)	(96.31)
Balance as at the end of the year	1,184.64	887.09
Foreign currency translation reserve		
Balance as at the beginning of the year	15.57	6.53
Add: Income for the year (net of tax)	1.12	9.04
Balance as at the end of the year	16.69	15.57
Total	2,568.96	1,311.39

Securities premium – Where the Parent issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to “Securities Premium”. 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.

Capital redemption reserve - Capital redemption reserve was created for buy-back of shares.

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.

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.

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 entirety.

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.

Capital Reserve – This Reserve represents the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**19 DIVIDEND DISTRIBUTION MADE AND PROPOSED**

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Dividends declared and paid during the year :		
Final dividend for the year ended March 31, 2023 : ₹ 6 per share (March 31, 2022 : ₹ 10 per share)	115.58	96.31
Total dividend declared and paid	115.58	96.31
Proposed dividend on equity shares :		
Final dividend recommended by the board of directors for the year ended March 31, 2024: ₹ 7 per equity share (March 31, 2023 : ₹ 6 per equity share) subject to approval at the ensuing annual general meeting.	143.93	115.58

20 BORROWINGS

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Non-current borrowings		
Secured		
Term loan from bank (note f)	-	161.74
Total non-current Borrowings	-	161.74
At amortised cost		
Current Borrowings		
Unsecured		
Current maturities of long term debt (note g)	-	174.43
Working capital demand loan (note a)	-	0.02
Commercial papers		
- From banks (note c)	99.78	149.04
Packing credit loan account from banks (note a)	50.58	33.70
Cash credit / bank overdrafts (note a)	16.26	11.88
Secured		
Current maturity of long term debt	-	31.83
Working capital demand loan	-	15.00
Total current borrowings	166.62	415.90
Aggregate secured loans	-	208.57
Aggregate unsecured loans	166.62	369.07
Total borrowings	166.62	577.64

- Outstanding loans carry an interest rate ranging from 5.21% to 5.50% p.a. (March 31, 2023 : 5.40% - 7.75% p.a.).
- The Group has borrowing limits from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Parent company and its subsidiaries with banks are in agreement with the books of accounts. Outstanding loans is secured by hypothecation of inventory and trade receivables.
- Commercial papers carry interest rate 8.0% @ p.a. for the current year (March 31, 2023 : 7.55% p.a.). These are repayable within 60 days from the date of drawdown.
- The group have not been declared as wilful defaulter by any bank, financial institutions or other lender.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

- e. The group has utilised the funds borrowed from banks and financial institution for the purpose it was taken.
- f. Secured term loan availed by one of the subsidiary Company has been repaid in full in October 2023.
- i. Term Loan obtained for setting up plant in Sri City for manufacturing Room air-conditioners from HSBC Bank has been re-paid in full in October, 2023. (March 31, 2023 - 8.60% to 8.90% p.a.). The facility was secured by first pari passu charge on movable and immovable fixed assets of the subsidiary company (including land) and is backed by corporate guarantee from parent.
 - ii. Term Loan obtained for setting up plant in Sri City for manufacturing Room air-conditioners from Kotak Bank has been re-paid in full in October, 2023. (March 31, 2023 - 7.60% to 7.63% p.a.). The facility was secured by first pari passu charge on all existing movable and immovable fixed assets of the Company located at survey no. 19/1 to 21/4A, 21/4B/4C, 21/5 to 13A/B/C, 22/01 to 23/C, Chilamathur village and, Panchayat, Chittoor, Andhra Pradesh, 517464 spread across land of 20 acres and is backed by corporate guarantee from parent.
 - iii. Term Loan obtained for setting up plant in Sri City for manufacturing Room air-conditioners from Axis Bank has been re-paid in full in October, 2023 (March 31, 2023 - 7.63% to 7.69% p.a.). The facility was secured by first pari passu charge on the entire project assets, movables (excluding current assets) and immovable assets of the subsidiary company, present and future and is backed by corporate guarantee from parent.
- g. The Parent company has made full repayment of remaining NCD's of ₹175 crores on June 01, 2023.
- 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, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	227.89	160.53
Total outstanding dues of creditors other than micro and small enterprises	2,388.71	2,350.63
Total trade payable	2,616.60	2,511.16

Ageing of payables

(₹ Crores)

Particulars	As at March 31, 2024					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Acceptances	348.61	-	-	-	-	348.61
Undisputed						-
Dues to micro and small enterprises	189.47	36.41	0.57	0.78	0.66	227.89
Dues of creditors other than micro and small enterprises	1,701.36	313.99	14.73	3.30	6.41	2,039.79
	2,239.44	350.40	15.30	4.08	7.07	2,616.29
Disputed						
Dues to micro and small enterprises	-	-	-	-	0.31	0.31
Dues of creditors other than micro and small enterprises	-	-	-	-	-	-
	-	-	-	-	0.31	0.31
Total payables	2,239.44	350.40	15.30	4.08	7.38	2,616.60

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Ageing of payables

(₹ Crores)

Particulars	As at March 31, 2023					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Acceptances	298.11					298.11
Undisputed						-
Dues to micro and small enterprises	125.08	35.11	0.25	0.03	0.06	160.53
Dues of creditors other than micro and small enterprises	1,603.98	416.17	18.40	5.48	8.11	2,052.14
	2,027.17	451.28	18.65	5.51	8.17	2,510.78
Disputed						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	0.31	0.06	*	-	0.01	0.38
	0.31	0.06	*	-	0.01	0.38
Total payables	2,027.48	451.34	18.44	5.51	8.18	2,511.16

*Indicates amount less than ₹ 1 lakh.

Disclosure as per Section 22 of MSME Act

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	221.98	158.32
(ii) Interest due on above	3.70	0.11
(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*	5.91	2.21
(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.	5.91	2.21
	227.89	160.53

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 Group.

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**22 LEASE LIABILITIES**

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease liabilities	54.53	63.41	21.78	20.90
Total lease liabilities	54.53	63.41	21.78	20.90

(₹ Crores)

Movement in lease liabilities	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	84.31	75.87
Addition during the year	7.54	26.85
Add: Interest for the year	7.91	7.96
Less : Paid during the year	(23.45)	(26.37)
Balance at the end of the year	76.31	84.31

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

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Lease liabilities		
Before 3 months	6.78	6.55
3 -6 months	6.64	5.67
6-12 months	14.32	11.26
1-3 years	36.36	37.73
3-5 years	20.78	27.83
Above 5 years	14.93	21.66
Total undiscounted lease liabilities	99.81	110.70

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

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Amounts recognised in the statement of profit and loss		
Depreciation expenses	17.99	20.00
Interest on lease liabilities	7.91	7.96
Expense relating to short term lease	4.37	1.32
Expense relating to lease of low value assets	0.65	3.29
Variable lease payments	72.63	55.20
Amounts recognised in statement of cash flow		
Total cash outflow for leases	(23.45)	(26.37)

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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**23 OTHER FINANCIAL LIABILITIES**

(₹ Crores)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Financial liabilities at amortised cost		
Other deposits	9.10	7.99
Interest accrued but not due on borrowings	-	11.64
Unpaid dividend (refer note 15)	3.61	3.85
Payable for capital goods	39.10	25.58
Total other financial liabilities	51.81	49.06

a) Unpaid Dividend

(₹ Crores)

Dividend	As at March 31, 2024	As at March 31, 2023
2015-16 (Interim)	-	0.55
2016-17 (Final)	0.65	0.69
2017-18 (Final)	0.65	0.68
2018-19 (Final)	0.58	0.61
2019-20 (Interim)	0.57	0.62
2020-21 (Final)	0.20	0.21
2021-22 (Final)	0.46	0.49
2022-23 (Final)	0.50	-
Total	3.61	3.85

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

24 OTHER LIABILITIES

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Contract liabilities from construction contracts		-	127.78	80.19
Contract liabilities from annual maintenance contract services	11.99	18.43	96.18	97.65
Advances from customers	-	-	468.98	454.15
Dues to statutory bodies	28.92	18.91	169.48	64.98
Others	-	-	19.02	8.85
Total other liabilities	40.91	37.34	881.44	705.82

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**25 PROVISIONS**

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Provision for gratuity (refer note 37)	-	-	4.47	3.10
Compensated absences	-	-	20.98	18.31
Provision for other employment benefits	-	-	6.69	5.48
Additional gratuity (refer note 37)	0.44	0.45	0.09	-
	0.44	0.45	32.23	26.89
Other provisions				
Provision for customer warranties	15.49	10.96	29.19	25.38
Provision for foreseeable loss	-	-	2.90	2.31
Provision for obligation towards guarantee given*	-	-	1.09	1.09
Other provisions	-	-	11.45	9.33
	15.49	10.96	44.63	38.11
Total provisions	15.93	11.41	76.86	65.00

* 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. During the year, W.J. Towell & Co LLC, an entity based in Oman, with whom the Company had entered into Shareholders' Agreement dated October 01, 2015 for managing affairs of Blue Star Oman Electro Mechanical Company, has filed arbitration proceedings against the Company with International Chamber of Commerce. The claims filed by W.J. Towell & Co LLC. are frivolous, unsubstantiated, premised on fundamental factual misstatements and contrary to the overwhelming facts and evidence. The Company is taking requisite steps to safeguard its interest.

Provision for warranties

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	36.34	27.54
Add : Additional provisions made during the year	36.86	26.49
Less : Amount used during the year	(27.85)	(17.44)
Add : Effect of change in provision on account of discounting during the year	(0.67)	(0.25)
Balance as at the end of the year	44.68	36.34
Current portion	29.19	25.38
Non-current portion	15.49	10.96

Provision for service warranties relates mainly for goods sold during the year ended March 31, 2024 and March 31, 2023. The provision has been based upon historical warranty data. The above values are for standard manufacturing warranty and which are usually expected to be settled between 0 to 10 years from the date of sale of product based on the component type offered by the Group.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**Other Provision for the year ended March 31 2024**

(₹ 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	9.33
Add :- Additional provisions made during the year	6.99	-	2.12
Less : Utilised during the year	(6.40)	-	-
Balance as at the end of the year	2.90	1.09	11.45

Other Provision for the year ended March 31, 2023

(₹ Crores)

Particulars	Provision for foreseeable loss	Provision for obligation towards guarantee given	Other Provisions
Balance as at the beginning of the year	3.02	1.09	10.42
Add :- Additional provisions made during the year	3.82	-	-
Less : Utilised during the year	(4.53)	-	(1.09)
Balance as at the end of the year	2.31	1.09	9.33

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.

26 GOVERNMENT GRANTS

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	8.65	9.70
Additions during the year	2.82	2.22
Amortised during the year	(2.64)	(3.27)
Balance as at the end of the year	8.83	8.65
Current	1.17	1.08
Non-current	7.66	7.57

Government grants are towards the purchase of certain items of property, plant and equipment.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

27 INCOME TAX

(a) Current tax asset / Income tax liabilities (net of provisions)

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	53.98	61.63
Less: Current tax payable for the year	(134.32)	(134.97)
Add: Taxes paid	135.99	127.32
Balance at the end of the year	55.65	53.98

(b) Deferred tax assets / Deferred tax liabilities (net)

The breakup of Deferred tax asset is as follows:

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Asset - [A]		
Provision for loss allowance	32.39	28.21
Provisions made disallowed and allowed only on payment basis	19.58	8.26
Business loss/ Unabsorbed depreciation	2.79	2.51
Differences between book and tax depreciation	0.05	-
Others (ROU, ICDS adjustments, etc.)	6.77	4.52
Deferred Tax Liability - [B]		
Differences between book and tax depreciation	(61.23)	(35.56)
Others (ROU, ICDS adjustments, etc.)	(0.05)	-
Deferred tax asset / (Deferred tax liabilities) (net) - [A-B]	0.30	7.94

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, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred Tax Asset -				
Provision for loss allowance	(4.17)	3.22	-	-
Provisions made disallowed and allowed only on payment basis	(11.32)	(0.89)	-	-
Business loss/ Unabsorbed depreciation	(0.28)	(2.51)	-	-
Differences between book and tax depreciation	(0.07)	-	-	-
Others (ROU, ICDS adjustments, etc.)	(2.03)	(4.92)	(0.01)	-
Deferred Tax Liability -				
Differences between book and tax depreciation	25.80	24.76	-	-
Others (ROU, ICDS adjustments, etc.)	0.03	-	-	-
Total	7.96	19.66	(0.01)	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:**

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before income tax	557.16	555.38
Income tax at India's statutory income tax rate of 25.168% (March 31, 2023: 25.168%)	140.20	139.78
Expenses not allowed for tax purpose	3.04	6.24
Additional allowances for tax purpose	(0.14)	(1.19)
Savings due to tax paid at lower or nil rate	4.05	1.91
Tax saving on account of lower tax rate on long term capital gain on sale of freehold land (Exceptional item)	-	(11.47)
Others	(4.31)	19.42
Income tax at effective tax rate	142.85	154.69

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

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Current tax		
Current tax on profit for the year	134.89	135.03
Total current tax expense	134.89	135.03
ii) Deferred tax		
(Decrease)/Increase in deferred tax liabilities	25.82	19.41
Decrease/(Increase) in deferred tax liabilities	(17.86)	0.25
Total deferred tax expense/(benefit)	7.96	19.66
Income tax expense	142.85	154.69

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

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Current tax		
Remeasurement gain/(loss) on defined benefit plans	(0.58)	(0.06)
	-	-
Total current tax expense	(0.58)	(0.06)
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	(0.58)	(0.06)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**28 REVENUE FROM OPERATIONS**

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue from operations		
Sale of products	6,376.12	5,402.88
Revenue from construction contracts	2,449.91	1,826.18
Sale of services	749.62	669.42
Other operating revenue		
- Commission income	1.10	1.80
- Provisions and liabilities no longer required	53.32	30.14
- Production linked incentive	6.00	-
- Scrap sales	35.73	32.99
- Others	13.56	13.91
Total revenue from operations	9,685.36	7,977.32

29 OTHER INCOME

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest income		
Financial instruments measured at amortised cost		
- Bank deposits	5.96	4.51
- Others	1.54	1.07
Other non-operating income		
Rental income	0.50	1.12
Gain on investments measured at FVTPL	17.88	10.34
Amortisation of government grant	2.63	2.70
Grant related to income	2.74	0.57
Fair value gain on financial instruments designated as FVTPL	1.36	-
Others	14.81	10.56
Total other income	47.42	30.87

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**30 COST OF RAW MATERIALS CONSUMED (INCLUDING DIRECT PROJECT AND SERVICE COST)**

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cost of material consumed	3,590.32	3,071.52
Project cost (including bought outs)	2,123.64	1,668.72
AMC subcontracting and other service cost	432.52	409.11
Total cost of raw material and components (including direct project and service cost)	6,146.48	5,149.35
Purchase of stock-in-trade	1,161.80	1,217.65
Inventories at the end of the year		
Traded goods	324.10	427.45
Work-in-progress	120.10	101.27
Finished goods	297.10	296.29
	741.30	825.01
Inventories at the beginning of the year		
Traded goods	427.45	342.15
Work-in-progress	101.27	78.92
Finished goods	296.29	218.61
	825.01	639.68
Total change in inventories of finished goods, work-in-progress and stock-in-trade	83.69	(185.33)

31 EMPLOYEE BENEFIT EXPENSE

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries, wages and bonus	670.92	527.51
Contribution to provident and other funds	22.38	18.25
Gratuity expense (refer note 37)	5.24	4.60
Staff welfare expenses	50.30	41.08
Director sitting fees	0.64	0.71
Total employee benefit expense	749.48	592.15

32 FINANCE COSTS

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest and finance charges on financial liabilities carried at amortised cost.		
(a) Interest on non convertible debenture	2.33	16.84
(b) Interest on other borrowings	36.04	21.46
(c) Interest on lease liabilities	7.91	7.96
(d) Other interest expenses.	4.85	0.72
Bank charges	6.95	7.72
Total finance costs	58.08	54.70

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

33 DEPRECIATION AND AMORTISATION EXPENSES

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation on property, plant and equipment (refer note 4)*	58.56	48.61
Depreciation on right-of-use of asset (refer note 7)	17.99	20.00
Amortisation expenses on intangible assets (refer note 8A)	20.46	15.42
Depreciation on investment properties (refer note 6)	0.60	0.75
Total depreciation and amortisation expense	97.61	84.78

* Depreciation on property, plant and equipment is net off capitalisation towards research and development expenditure.

34 OTHER EXPENSE

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Stores and spares consumed	29.19	25.20
Power and fuel	23.20	27.50
Rent	77.90	59.81
Repairs and maintenance		
- Buildings	7.31	4.41
- Plant and machinery	11.57	8.46
- Others	34.58	26.17
Insurance	7.01	6.30
Rates and taxes	2.11	1.90
Advertising expenses	75.83	71.23
Sales promotion expenses	79.15	46.46
Freight and forwarding charges	130.36	107.31
Legal and professional fees	93.64	75.11
Travelling and conveyance	74.84	55.77
Commission and Sale Incentives	41.12	26.78
Warranty Cost	41.56	34.33
Printing and stationery	4.94	4.68
Payment to auditors	3.91	3.26
Corporate social responsibility expenses	4.70	4.13
Donations	0.64	0.51
Loss on sale / discard of Property, Plant and equipment (net)	3.67	6.95
Foreign exchange differences (Net) (including fair value impact on financial instruments at fair value through profit or loss)	3.74	5.14
Bad debts / advances written off	38.29	-
Less:- Provision for bad debts	(34.78)	2.28
Allowances for doubtful debts and advances	56.08	53.47
Allowances for doubtful retention	13.01	10.01
Miscellaneous expenses	55.40	43.55
Total other expenses	878.97	710.72

Note :

The above expenses is net off grant received from Mr. Ashok M. Advani (promoter group) to boost research and development activities of the Parent Company.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**35 EXCEPTIONAL ITEMS**

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Exceptional Income*	-	170.81
Exceptional Items (Net)	-	170.81

*Profit on sale of freehold land which was classified as asset held for sale in the previous year.

36 EARNING PER SHARE (EPS)

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

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit attributable to equity holders of the Company (₹ in Crores)	414.31	400.69
Weighted average number of equity shares outstanding	19,94,40,635	19,26,27,776
Earning Per Share (₹) - Basic and Diluted in rupees (Face Value - ₹ 2 per share)	20.77	20.80

Note:

- a. Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Company has issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the year ended March 31, 2024. Accordingly, the earnings per share has been adjusted for previous year and presented in accordance with Ind AS 33 - Earnings Per Share.
- b. The Company raised capital of ₹ 1,000 crores through Qualified Institutions Placement ("QIP") of equity shares. The Executive management Committee of the Board of Directors of the Company, at its meeting held on September 22, 2023, approved the of 1,29,87,012 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 770 per equity share (including a premium of ₹768 per equity share).

37 EMPLOYEE BENEFITS 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 ₹ 6.86 crores to gratuity fund in FY 2024-25 (FY 2023-24 - ₹ 5.46 crores)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Change in present value of defined benefit obligation

(₹ Crores)

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation at the beginning of the year	50.94	48.08	0.49	0.50
Current service cost	5.07	4.62	0.02	0.02
Interest cost	3.63	3.07	0.04	0.03
Benefit payments from plan assets	(4.60)	(5.04)	(0.02)	(0.02)
Remeasurements				
a. Due to change in demographic assumptions	0.01	-	-	-
b. Due to change in financial assumptions	0.58	(2.00)	0.01	(0.02)
c. Due to experience adjustments	1.83	2.21	(0.02)	(0.02)
Defined benefit obligation at the end of the year	57.46	50.94	0.53	0.49

Change in fair value of plan assets

(₹ Crores)

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	47.84	47.80	-	-
Expected return on plan assets	3.53	3.15	-	-
Contribution by employer	6.21	1.95	-	-
Actual benefits paid	(4.59)	(5.06)	-	-
Fair value of plan assets at the end of the year	52.99	47.84	-	-

Components of defined benefit cost recognised in Profit or Loss

(₹ Crores)

Particulars	Gratuity (Funded)		Additional Gratuity	
	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current service cost	5.07	4.62	0.02	0.02
Interest Cost	3.40	2.86	0.04	0.03
Investment income on plan assets	(3.29)	(2.93)	-	-
Defined benefit cost recognised in Profit or Loss	5.18	4.55	0.06	0.05
Components of defined benefit cost recognised in Other Comprehensive Income				
a. Due to change in demographic assumptions	0.01	-	-	-
b. Due to change in financial assumptions	0.58	(2.00)	0.01	(0.02)
c. Due to change in experience adjustments	1.83	2.21	(0.02)	(0.01)
Remeasurements recognised in other comprehensive income (OCI)	2.42	0.21	(0.01)	(0.03)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**Net Assets/ Liability recognised in the statement of financial position**

(₹ Crores)

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation	57.46	50.94	0.53	0.49
Fair value of plan assets	52.99	47.84	-	-
Net defined benefit liability / (asset)	4.47	3.10	0.53	0.49

The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	0.05	2.55
Insurance company products	51.20	42.49
Others	1.74	2.80
Total	52.99	47.84

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, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.15%	7.35%	7.15%	7.35%
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%	10%,7%,3%
Attrition rate	14%	14%	14%	14%

Risk analysis

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

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, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Decrease in discount Rate (-/+ 0.5%)	57.29	50.65	0.54	2.96
Increase in discount Rate (-/+ 0.5%)	54.50	48.09	0.52	2.80
Decrease in salary Growth Rate (-/+ 0.5%)	54.49	48.07	-	2.26
Increase in salary Growth Rate (-/+ 0.5%)	57.29	50.65	-	2.45
Decrease in attrition Rate (-/+ 1%)	55.91	46.10	0.49	0.44
Increase in attrition Rate (-/+ 1%)	55.81	46.17	0.54	0.48
Decrease in Mortality Rate (-/+ 10%)	55.86	46.14	0.53	0.47
Increase in Mortality Rate (-/+ 10%)	55.86	46.14	0.53	0.47

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 2023-24.

The weighted average duration of the defined benefit plan obligation at the end of the reporting year 2023-24 is 5 years.

Maturity profile of defined benefit obligation

(₹ Crores)

Expected cash flows (valued on undiscounted basis)	Gratuity (Funded)	Additional Gratuity
1 year	11.34	0.09
2 to 5 years	30.61	0.31
6 to 10 years	22.96	0.23
More than 10 years	20.48	0.19
Total	85.39	0.82

b. Provident Fund

In accordance to Ind AS 19, that provident Fund set up by employers which requires interest shortfall to be met by the employer, should be treated as a defined benefit plan. The actuary has provided a valuation and according thereto, there is no shortfall as at March 31, 2024. The Group's contribution to the Employee's Provident Fund aggregates to ₹ 12.01 Crores (March 31, 2023: ₹ 9.23 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 Group has made for an estimated amount, provision on a prospective basis.

III. General Description of significant defined plans:

a. Gratuity Plan

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

b. Additional Gratuity

Additional Gratuity is payable as per the specific rules of the Company i.e. ₹ 5,000 for staff and ₹ 10,000 for managers subject to qualifying service of 15 years.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**38 COMMITMENTS AND CONTINGENCIES****a. Contingent liabilities**

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Group not acknowledged as debts	2.65	1.35
Sales Tax matters	22.57	53.54
Excise Duty matters	4.90	4.90
Service Tax matters	30.39	121.63
Income Tax matters	150.87	137.89
GST matters	12.69	1.78

b. Commitments

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

At March 31, 2024, Group had commitments (net of advances) of ₹ 131.11 Crores (March 31, 2023: ₹ 138.61 Crores).

- c.** The Group has an obligation to complete the Extended Producer Responsibility (EPR) targets, only if it is a participant in the market during the financial year in accordance with the E-Waste (Management) Rules, 2016, as amended. The Group has fulfilled its obligation for the current financial year. The Group will have an e-waste obligation for future years, only if it participates in the market in those years.

d. Uncertain tax position

The uncertain tax position as on March 31, 2024 is ₹ 6.85 crores (March 31, 2023 : ₹. 5.81 crores).

39 DISCLOSURE FOR RELATED PARTY AND INTEREST IN JOINT VENTURES

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:-

Name of related party	Relationship
Blue Star M & E Engineering (Sdn) Bhd	Joint venture
Blue Star Oman Electro-Mechanical Co. LLC**	

**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.

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
Mr. Shailesh Haribhakti	Independent director
Mr. Rajiv Lulla	Non-executive director
Mr. Dinesh Vaswani	Non-executive director
Mr. Sam Balsara	Independent director
Mr. Anil Harish	Independent director
Mr. Arvind K Singhal	Independent director
Ms. Sunaina Murthy	Non-executive director
Ms. Anita Ramchandran	Independent director
Mr. Murlidhar Gangadharan (Since January 30, 2024)	Independent director
Mr. Vipin Sondhi (Since January 30, 2024)	Independent director

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Name of related party	Relationship
Close member of key management personnel	
Mr. Suneel M. Advani	Father of Vir S. Advani
Enterprises in which a Director is/was a member/director/trustee during the year with whom company had transactions and/or balances	
Moms Outdoor Media Solutions Private Limited	Entities over which Key Managerial Personnel or their close family members have significant influence
Madison Communications Private Limited	
IBS Fintech India Private Limited	
Platinum Communications Private Limited	
Cerebrus Consultants Private Limited	
M/s SMA Associates	
Blue Star Helpline Trust	
Blue Star Foundation	
Blue Star Provident Fund Trust	
Blue Star Super Annuation Trust	
Blue Star Gratuity Trust	

Transactions during the period with Related Parties are as under:

(₹ Crores)

Name of Related party	For the Year ended March 31, 2024	As at March 31, 2024	For the Year ended March 31, 2023	As at March 31, 2023
	Transactions	Balance O/S DR/(CR)	Transactions	Balance O/S DR/(CR)
Blue Star M & E Engineering (Sdn) Bhd				
Reimbursement of expenses	0.25	-	-	-
Blue Star Helpline trust				1.19
Reimbursement of expenses	-	-	-	-
Blue Star Provident Fund Trust		(2.45)		(2.09)
Contribution to Provident fund	27.57		23.19	
Blue Star Super Annuation Trust		(0.12)		(1.13)
Contribution to Super annuation fund	1.45		1.49	
Blue Star Gratuity Trust		(3.58)		(1.41)
Contribution to Gratuity fund	5.66		1.95	
Blue Star Foundation		-		-
CSR expenses	1.30		-	
Reimbursement of expenses	0.37		-	
M/s SMA Associates				
Fees for professional services	0.30	-	0.25	-
Blue Star Oman Electro-Mechanical Co. LLC#		4.46		4.46

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Name of Related party	For the Year ended March 31, 2024	As at March 31, 2024	For the Year ended March 31, 2023	As at March 31, 2023
	Transactions	Balance O/S DR/(CR)	Transactions	Balance O/S DR/(CR)
Enterprises in which Director is a member/director				
Sale of goods and services				
Madison Communications Private Limited	0.52	0.01	0.11	
Platinum communication Private Limited	-	-	0.02	-
Services received				
Moms Outdoor Media Solutions Private Limited	5.57	(1.18)	2.93	(0.06)
Madison Communications Private Limited	30.09	(0.84)	39.99	(0.85)
IBS Fintech India Private Limited	0.15	(0.02)	0.13	-
Cerebrus Consultants Private Limited	0.06	(0.02)	0.26	(0.03)
Compensation of key managerial personnel		(15.90)		(11.17)
Short term employee benefits				
- Remuneration paid / payable (including commission)	25.61		19.17	
- Commission to Non-Executive and Independent Directors	2.00		2.03	
- Sitting fees to non-executive and independent directors	0.67		0.71	
Post employment benefits	0.98		0.89	
Total compensation paid to key management personnel	29.26		22.80	

fully provided for Allowance for doubtful loan

Note: As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

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 organised into business units based on its products and services and has 3 reportable segments as follows:

- 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.
- Unitary Products includes cooling appliances, cold storage products, including manufacturing and after sales service.
- Professional Electronics and Industrial Systems includes trading and services for testing machines, medical, analytical, test & measuring, data communications, industrial products and systems.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

I. Segment revenues, results and other information:

(₹ Crores)

A. Segment Revenue	For the year ended March 31, 2024	For the year ended March 31, 2023
i. Electro -Mechanical Projects and Commercial Air Conditioning Systems	4,715.46	4,015.63
ii. Unitary Products	4,592.20	3,626.93
iii. Professional Electronics and Industrial Systems	377.70	334.76
Total Segment Revenue	9,685.36	7,977.32

(₹ Crores)

B. Segment Result	For the year ended March 31, 2024	For the year ended March 31, 2023
i. Electro -Mechanical Projects and Commercial Air Conditioning Systems	341.09	276.78
ii. Unitary Products	360.31	282.31
iii. Professional Electronics and Industrial Systems	51.50	50.50
Total Segment Result	752.90	609.59
Less: i) Finance Cost	(58.08)	(54.70)
ii) Other un-allocable Expenditure Net of un-allocable Income	(138.15)	(170.72)
Profit Before Taxation	556.67	384.17

II. Other Information:

(₹ Crores)

A. Segment assets	As at March 31, 2024	As at March 31, 2023
i. Electro -Mechanical Projects and Commercial Air Conditioning Systems	2,706.46	2,197.05
ii. Unitary Products	2,684.71	2,153.34
iii. Professional Electronics and Industrial Systems	204.69	223.64
Total Segment Assets	5,595.86	4,574.03
Add: Un-allocable Corporate Assets	1,022.39	873.21
Total Assets	6,618.25	5,447.24

(₹ Crores)

B. Segment liabilities	As at March 31, 2024	As at March 31, 2023
i. Electro -Mechanical Projects and Commercial Air Conditioning Systems	2,041.88	1,805.77
ii. Unitary Products	1,433.84	1,405.57
iii. Professional Electronics and Industrial Systems	156.03	182.04
Total Segment Liabilities	3,631.75	3,393.38
Add: Un-allocable Corporate Liabilities	373.87	720.02
Total Liabilities	4,005.62	4,113.40

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

C. Non-current assets (movement)	For the year ended March 31, 2024	For the year ended March 31, 2023
i. Electro -Mechanical Projects and Commercial Air Conditioning Systems	215.23	48.04
ii. Unitary Products	168.31	213.18
iii. Professional Electronics and Industrial Systems	4.25	5.16
iv. Un-allocable	45.44	68.10
TOTAL	433.23	334.48

(₹ Crores)

D. Depreciation / amortisation	For the year ended March 31, 2024	For the year ended March 31, 2023
i. Electro -Mechanical Projects and Commercial Air Conditioning Systems	28.90	24.80
ii. Unitary Products	46.89	30.45
iii. Professional Electronics and Industrial Systems	1.16	3.09
iv. Un-allocable	20.66	26.44
TOTAL	97.61	84.78

(₹ Crores)

E. Non cash expenses other than Depreciation	For the year ended March 31, 2024	For the year ended March 31, 2023
i. Electro -Mechanical Projects and Commercial Air Conditioning Systems	69.27	61.87
ii. Unitary Products	2.03	0.83
iii. Professional Electronics and Industrial Systems	0.42	1.36
iv. Un-allocable	1.62	2.45
TOTAL	73.34	66.51

(₹ Crores)

F. Interest Income	For the year ended March 31, 2024	For the year ended March 31, 2023
i. Electro -Mechanical Projects and Commercial Air Conditioning Systems	0.02	0.31
ii. Unitary Products	-	0.10
iii. Professional Electronics and Industrial Systems	-	-
iv. Un-allocable	7.48	5.17
TOTAL	7.50	5.58

B. Secondary segment information:

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue (Sales, Services & Commission) by Geographical Market		
India	9,094.90	7,343.79
Outside India	590.46	633.53
Total	9,685.36	7,977.32
Carrying amount of Non Current Assets		
India	1,361.94	996.91
Outside India	58.96	49.91
Total	1,420.90	1,046.82

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

41 INTEREST IN JOINT VENTURE

A. Subsidiary companies

The subsidiary companies of the Group as at March 31, 2024, 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 place of business	% of equity interest	
		As at March 31, 2024	As at March 31, 2023
Blue Star Engineering and Electronics Limited	India	100.00	100.00
Blue Star Climatech Limited	India	100.00	100.00
Blue Star Qatar- WLL*	Qatar	49.00	49.00
Blue Star System and Solutions LLC	UAE	100.00	100.00
BSL AC&R (SINGAPORE) PTE. LTD.	Singapore	100.00	100.00
Blue Star International FZCO	UAE	100.00	100.00
Blue Star North America INC	USA	100.00	100.00
Blue Star Japan LLC	Japan	100.00	100.00
Blue Star Europe BV	Netherlands	100.00	100.00
Blue Star Uganda	Uganda	100.00	100.00

* 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.

B. Interest in joint venture company accounted for using the equity method

Joint venture	Country of Incorporation	% Shareholding	
		As at March 31, 2024	As at March 31, 2023
Foreign Joint Venture- Jointly Controlled Entity			
Blue Star M & E Engineering (Sdn) Bhd	Malaysia	49%	49%
Carrying amount of Investment (₹ Crores)		17.88	18.22

Blue Star M & E Engineering (Sdn) Bhd

Summarised Balance sheet as at March 31, 2024 and March 31, 2023:

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current assets	56.06	50.21
Non-Current Assets	14.30	14.40
Current Liabilities	36.00	29.77
Non-current Liabilities	3.43	3.27
EQUITY	30.93	31.57
The above amount of the assets and liabilities include the following		
- Cash and Cash equivalents	2.08	4.54
- Current financial liabilities (excluding trade and other payables and provisions)	0.6	0.24
- Non Current financial liabilities (excluding trade and other payables and provisions)	0.13	0.37

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**Summarised statement of Profit & Loss for the year ended March 31, 2024 and March 31, 2023:**

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue	82.88	46.65
Other Income	0.44	0.32
Cost of raw material and components consumed	75.25	38.76
Depreciation and amortisation	0.51	0.49
Finance cost	0.21	0.21
Employee Benefit	5.10	5.09
Other Expenses	1.12	1.44
Profit before Tax	1.13	0.98
Income Tax Expense	0.13	0.16
Profit for the year	1.00	0.82
Group's share of profit for the year	0.49	0.40

Movement of investment in Joint Venture

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Joint venture	18.22	17.31
Profit for the period	0.49	0.40
Foreign currency translation reserve	(0.83)	0.51
Investment in Joint venture	17.88	18.22

Notes:

1. 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. During the year, W.J. Towell & Co LLC, an entity based in Oman, with whom the Company had entered into Shareholders' Agreement dated October 01, 2015 for managing affairs of Blue Star Oman Electro Mechanical Company, has filed arbitration proceedings against the Company with International Chamber of Commerce. The claims filed by W.J. Towell & Co LLC. are frivolous, unsubstantiated, premised on fundamental factual misstatements and contrary to the overwhelming facts and evidence. The Company is taking requisite steps to safeguard its interest.

42 DERIVATIVE INSTRUMENTS AND FOREIGN CURRENCY EXPOSURE

The Group has a forex risk management policy which ensures proactive and regular monitoring and managing of foreign exchange exposures. Financial risks relating to changes in exchange rates are hedged by forward 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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

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

Foreign currency	As at March 31, 2024		As at March 31, 2023	
	Amount in Foreign Currency (in Lakhs)	₹ in Crores	Amount in Foreign Currency (in Lakhs)	₹ in Crores
Particulars of Derivatives				
Forward cover to Purchase				
- USD	133.46	111.31	103.08	84.70
- CNY/RMB (including commitments)	619.19	71.10	807.22	96.44
- JPY	383.96	2.11	-	-
Forward cover to Sell				
- USD	10.00	8.34	5.00	4.11

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

Foreign currency	As at March 31, 2024		As at March 31, 2023	
	Amount in Foreign Currency (in Lakhs)	₹ in Crores	Amount in Foreign Currency (in Lakhs)	₹ in Crores
Bank Balances				
AED	0.23	0.05	1.69	0.38
EUR	0.58	0.52	0.99	0.89
CNY/RMB	0.23	0.03	1.02	0.12
USD	15.38	12.83	24.52	19.93
Receivables				
AED	0.73	0.16	16.81	3.76
CAD	0.07	0.04	0.04	0.03
EUR	42.69	38.37	13.01	11.63
GBP	0.08	0.08	0.38	0.39
JPY	22.22	0.12	22.22	0.14
MYR	1.05	0.19	1.59	0.30
USD	97.42	81.25	132.65	109.00
SGD	-	-	0.59	0.36
Payables				
AED	0.94	0.21	0.52	0.12
CNY/RMB	3.22	0.37	265.28	31.69
EUR	17.82	16.02	14.85	13.28
JPY	1,361.93	7.50	604.71	3.72
MYR	0.03	0.01	0.03	0.01
GBP	0.86	0.90	0.11	0.12
CHF	-	-	0.55	0.49
USD	99.73	83.18	113.06	92.90
CAD	#	*	0.05	0.03
OMR	#	0.01	-	-
SGD	-	-	-	-

Indicates amount less than CAD and OMR 1 Thousand

* Indicates amount less than ₹ 1 Lakh

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)**43 FINANCIAL INSTRUMENTS****(A) Financial Instruments by Category**

(₹ Crores)

Particulars	As at March 31, 2024					As at March 31, 2023				
	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)	266.80	-	-	266.80	266.80	148.10	-	-	148.10	148.10
Other financial assets (refer note 11)	1.52	-	63.73	65.25	65.25	-	-	38.13	38.13	38.13
Trade receivables (refer note 13)	-	-	1,952.56	1,952.56	1,952.56	-	-	1,548.82	1,548.82	1,548.82
Cash and cash equivalents (refer note 14)	-	-	373.64	373.64	373.64	-	-	239.35	239.35	239.35
Other bank balances (refer note 15)	-	-	3.73	3.73	3.73	-	-	3.94	3.94	3.94
Loans (refer note 10)	-	-	8.48	8.48	8.48	-	-	6.61	6.61	6.61
	268.32	-	2,402.14	2,670.46	2,670.46	148.10	-	1,836.85	1,984.95	1,984.94
Financial liabilities										
Borrowings (refer note 20)	-	-	166.62	166.62	166.62	-	-	577.64	577.64	577.64
Trade payables (refer note 21)	-	-	2,616.60	2,616.60	2,616.60	-	-	2,511.16	2,511.16	2,511.16
Other Financial Liabilities (refer note 23)	-	-	51.81	51.81	51.81	-	-	49.06	49.06	49.06
Lease liabilities (refer note 22)	-	-	76.31	76.31	76.31	-	-	84.31	84.31	84.31
	-	-	2,911.34	2,911.34	2,911.34	-	-	3,222.17	3,222.17	3,222.17

(B) Fair Value Hierarchy

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

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

(₹ Crores)

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment Property (refer note 6)	As at March 31, 2024	9.72	-	-	9.72
Assets measured at fair value:					
Investment in mutual fund (refer note 9)	As at March 31, 2024	248.92	-	248.92	-
Derivatives not designated as hedges					
- Foreign exchange forward contracts (refer note 11)	As at March 31, 2024	0.16	-	0.16	-
- Commodity forward contracts (refer note 11)	As at March 31, 2024	1.36	-	1.36	-

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Quantitative disclosures fair value measurement heirarchy as at March 31, 2023

(₹ 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, 2023	10.32	-	-	10.32
Assets measured at fair value:					
Investment in mutual fund (refer note 9)	As at March 31, 2023	129.88	-	129.88	-
Derivatives not designated as hedges					
- Foreign exchange forward contracts (refer note 11)	As at March 31, 2023	-	-	*	-

* Indicates amount less than ₹ 1 lakh.

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

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

Valuation technique and key inputs used to determine fair value:

1. Level - 2: Mutual Fund - Quoted price in the active market

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

2. Level - 3: Investment Property - Based on valuation report of independent valuer.

44 FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

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

Market Risk

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

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:

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Particulars	As at March 31, 2024				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (Foreign currency)	Net exposure (₹ Crore)
Foreign currency (in Crores)					
USD	0.15	0.97	1.00	0.13	10.90
CNY/RMB	*	-	0.03	(0.03)	(0.34)
AED	*	0.01	0.01	-	-
EUR	0.01	0.43	0.18	0.25	22.87
MYR	-	0.01	*	0.01	0.18
JPY	-	0.22	13.62	(13.40)	(7.38)
CAD	-	*	*	*	0.04
OMR	-	-	*	*	(0.01)
GBP	-	*	(0.01)	(0.01)	(0.82)
Particulars	As at March 31, 2023				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (Foreign currency)	Net exposure (₹ Crore)
Foreign currency (in Crores)					
USD	0.24	1.33	1.13	0.44	36.03
CNY/RMB	0.01	-	2.65	(2.64)	(31.57)
AED	0.02	0.17	0.01	0.18	4.02
EUR	0.01	0.13	0.15	(0.01)	(0.76)
MYR	-	0.02	*	0.02	0.29
JPY	-	0.22	6.05	(5.83)	(3.58)
CHF	-	-	0.01	(0.01)	(0.49)
CAD	-	*	*	*	(0.01)
OMR	-	-	-	-	-
GBP	-	*	*	*	0.27

* Indicates amount less than foreign currency 1 lakh.

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, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
US Dollars	+5%	0.55	1.80	0.41	1.35
	-5%	(0.55)	(1.80)	(0.41)	(1.35)
CNY/RMB	+5%	(0.02)	(1.58)	(0.01)	(1.19)
	-5%	0.02	1.58	0.01	1.19

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
AED	+5%	-	0.20	0.00	0.15
	-5%	-	(0.20)	0.00	(0.15)
EUR	+5%	1.14	(0.04)	0.86	(0.03)
	-5%	(1.14)	0.04	(0.86)	0.03
MYR	+5%	0.01	0.01	0.01	0.01
	-5%	(0.01)	(0.01)	(0.01)	(0.01)
JPY	+5%	(0.37)	(0.18)	(0.28)	(0.14)
	-5%	0.37	0.18	0.28	0.14
CHF	+5%	-	0.02	0.00	0.02
	-5%	-	(0.02)	0.00	(0.02)
CAD	+5%	-	-	0.00	0.00
	-5%	-	-	0.00	0.00
OMR	+5%	-	-	0.00	0.00
	-5%	-	-	0.00	0.00
GBP	+5%	(0.04)	0.01	(0.03)	0.01
	-5%	0.04	(0.01)	0.03	(0.01)

Commodity price risk

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

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

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

Particulars	As at March 31, 2024					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)
Commodity						
Copper	1,623.76	133.33	250.00	17.28	1,373.76	116.05
Aluminium	886.74	27.06	-	-	886.74	27.06

Particulars	As at March 31, 2023					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)
Commodity						
Copper	942.17	76.13	-	-	942.17	76.13
Aluminium	668.95	22.30	-	-	668.95	22.30

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

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, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Commodity					
Copper	-5%	(5.80)	(3.81)	(4.31)	(2.86)
	+5%	5.80	3.81	4.31	2.86
Aluminium	-5%	(1.35)	(1.11)	(1.00)	(0.83)
	+5%	1.35	1.11	1.00	0.83

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, 2024	1,018.82	889.79	122.27	2,030.88
Trade Receivables as on March 31, 2023	651.91	764.49	207.83	1,624.23

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.

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 at March 31, 2024		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	166.62	-	166.62
Trade Payables	2,616.60	-	2,616.60
Lease Liabilities	27.74	72.07	99.81
Other financial liabilities	51.81	-	51.81
Total	2,862.77	72.07	2,934.84

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	As at March 31, 2023		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	415.90	161.74	577.64
Trade Payables	2,511.16	-	2,511.16
Lease Liabilities	23.48	87.22	110.70
Other financial liabilities	37.42	-	37.42
Interest on borrowings	13.97	-	13.97
Total	3,001.93	248.96	3,250.89

45 CAPITAL MANAGEMENT

The Group's objective for capital management is to maximise 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, 2024	As at March 31, 2023
Borrowings	166.62	577.64
Less: Cash and cash equivalents	(373.64)	(239.35)
Net debt	(207.02)	338.29
Equity	2,612.63	1,333.84
Gearing ratio (Net debt / equity) X 100	NA*	25.36%

* This ratio is not relevant for financial year FY24 as the Cash and cash equivalents exceed the Loans and Borrowings.

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	Note 30	Note 31	Note 34	Note 32	Total
Salary & wages	410.85	670.92	-	-	1081.77
	(325.96)	(527.51)	-	-	(853.47)
Staff welfare expenses	4.48	50.30	-	-	54.78
	(4.27)	(41.08)	-	-	(45.35)
Contribution to provident and other funds	0.10	22.38	-	-	22.48
	-	(18.25)	-	-	(18.25)
Rent	3.17	-	77.90	-	81.07
	(0.95)	-	(59.81)	-	(60.76)
Commission and sales incentives	0.06	-	41.12	-	41.18
	(0.06)	-	(26.78)	-	(26.84)
Repairs and maintenance	0.43	-	53.46	-	53.89
	(3.07)	-	(39.04)	-	(42.11)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Nature of expenses	Note 30	Note 31	Note 34	Note 32	Total
Rates and taxes	5.77	-	2.11	-	7.88
	(2.69)	-	(1.90)	-	(4.59)
Power & fuel	6.62	-	23.20	-	29.82
	(2.30)	-	(27.50)	-	(29.80)
Insurance	6.26	-	7.01	-	13.27
	(5.26)	-	(6.30)	-	(11.56)
Travelling & Conveyance	6.01	-	74.84	-	80.85
	(2.37)	-	(55.77)	-	(58.14)
Printing & Stationery	0.94	-	4.94	-	5.88
	(0.76)	-	(4.68)	-	(5.44)
Freight and Forwarding Charges	2.92	-	130.36	-	133.28
	(1.63)	-	(107.31)	-	(108.94)
Legal & Professional fees	27.30	-	93.64	-	120.94
	(20.93)	-	(75.11)	-	(96.04)
Foreign exchange differences	0.04	-	3.74	-	3.78
	-	-	(5.14)	-	(5.14)
Commission and sales incentives	0.06	-	41.12	-	41.18
	(0.06)	-	(26.78)	-	(26.84)
Warranty Cost	0.06	-	41.56	-	41.62
	(0.03)	-	(34.33)	-	(34.36)
Miscellaneous expenses	2.75	-	55.43	-	58.18
	(1.35)	-	(43.55)	-	(44.90)
Bank charges	5.33	-	-	6.95	12.28
	(2.48)	-	-	(7.72)	(10.20)

Figures in brackets are for previous year

47 DETAILS OF REVENUE EXPENDITURE DIRECTLY RELATED TO RESEARCH & DEVELOPMENT

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee benefits expense	13.32	6.12
Cost of raw material and components consumed	3.84	5.56
Legal & Professional fees	2.71	2.16
Depreciation	11.37	5.68
Others	17.99	10.25
Total revenue expenditure directly related to research & development	49.23	29.77

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

48 DETAILS OF CAPITAL EXPENDITURE DIRECTLY RELATED TO RESEARCH & DEVELOPMENT

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Tangible Assets		
Buildings	7.48	2.91
Plant & Equipment	39.28	7.79
Furniture & fixtures	0.07	0.03
Office equipments	1.32	0.35
Vehicles	1.43	0.85
Computers	0.57	0.46
Intangible Assets (including intangible assets under development)		
Technical knowhow	43.07	31.31
Software	1.02	0.42
Total	94.24	44.12

Note :

The above expenses is net off grant received from Mr. Ashok M. Advani (promoter group) to boost research and development activities of the Parent Company.

49 STATUTORY GROUP INFORMATION

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive Income	Amount (₹ Crores)	As % of consolidated Total comprehensive Income	Amount (₹ Crores)
Parent company								
Blue Star Limited								
Balance at March 31, 2024	96%	2,511.49	89%	367.50	237%	(1.68)	88%	365.82
Balance at March 31, 2023	96%	1,278.43	91%	366.58	(2%)	(0.16)	89%	366.42
Indian subsidiary companies								
1. Blue Star Engineering and Electronics Limited								
Balance at March 31, 2024	10%	267.72	11%	46.35	10%	(0.07)	11%	46.28
Balance at March 31, 2023	17%	223.48	10%	40.28	0%	0.02	10%	40.30
2. Blue Star Climatech Limited								
Balance at March 31, 2024	20%	528.63	5%	22.72	10%	(0.07)	5%	22.65
Balance at March 31, 2023	0.07%	87.58	(2%)	(6.87)	-	0.01	(2%)	(6.86)
Foreign subsidiary companies								
1. Blue Star Qatar - WLL								
Balance at March 31, 2024	2%	50.32	(3%)	(12.78)	0%	-	(3%)	(12.78)
Balance at March 31, 2023	5%	62.11	1%	4.58	0%	-	1%	4.58

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (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)
2. Blue Star International FZCO								
Balance at March 31, 2024	3%	68.72	4%	14.58	0%	-	4%	14.58
Balance at March 31, 2023	4%	53.23	3%	12.59	0%	-	3%	12.59
3. Blue Systems & Solutions LLC								
Balance at March 31, 2024	(1%)	(27.83)	(1%)	(5.06)	0%	-	(1%)	(5.06)
Balance at March 31, 2023	(2%)	(22.39)	(2%)	(7.69)	0%	-	(2%)	(7.69)
4. BSL AC&R (SINGAPORE) PTE. LTD.								
Balance at March 31, 2024	2%	22.93	0%	0.15	0%	-	0%	0.15
Balance at March 31, 2023	2%	22.44	0%	0.07	0%	-	0%	0.07
5. BLUE STAR NORTH AMERICA INC								
Balance at March 31, 2024	0%	3.88	(1%)	(5.51)	0%	-	(1%)	(5.51)
Balance at March 31, 2023	0%	5.18	(1%)	(2.98)	0%	-	(1%)	(2.98)
6. BLUE STAR EUROPE BV								
Balance at March 31, 2024	0%	(1.14)	(3%)	(10.12)	0%	-	(2%)	(10.12)
Balance at March 31, 2023	0%	4.48	0%	-	0%	-	0%	0.00
7. BLUE STAR INNOVATION JAPAN LLC								
Balance at March 31, 2024	1%	7.09	(1%)	(2.92)	0%	-	(1%)	(2.92)
Balance at March 31, 2023	0%	-	0%	-	0%	-	0%	0.00
Joint ventures								
(As per proportionate consolidation / investment as per the equity method)								
1. Blue Star M & E Engineering (Sdn) Bhd								
Balance at March 31, 2024	1%	30.93	0%	0.49	0%	-	0%	0.49
Balance at March 31, 2023	2%	31.56	0%	0.40	0%	-	0%	0.40
2. Blue Star Oman Electro-Mechanical Co. LLC								
Balance at March 31, 2024	0%	-	0%	0.00	0%	0.00	0%	0.00
Balance at March 31, 2023	0%	-	0%	0.00	0%	0.00	0%	0.00
Consolidated adjustments/ Eliminations								
Balance at March 31, 2024		(850.11)		(1.09)		1.11		0.02
Balance at March 31, 2023		(412.27)		(6.27)		9.05		2.78
Total								
Balance at March 31, 2024	100%	2,612.63	100%	414.31	100%	(0.71)	100%	413.60
Balance at March 31, 2023	100%	1,333.84	100%	400.69	100%	8.92	100%	409.61

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

50 DISCLOSURE IN CONNECTION WITH REVENUE FROM CONTRACT WITH CUSTOMERS

1 Disaggregation of revenue:

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2024 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, 2024			For the Year ended March 31, 2023		
	At a point in time	Over time	Total	At a point in time	Over time	Total
Electro -Mechanical Projects and Commercial Air Conditioning Systems	1,789.52	2,925.94	4,715.46	1,679.01	2,336.62	4,015.63
Unitary Products	4,544.84	47.36	4,592.20	3,582.57	44.35	3,626.92
Professional Electronics and Industrial Systems	324.38	53.32	377.70	285.03	49.74	334.77
Total	6,658.74	3,026.62	9,685.36	5,546.61	2,430.71	7,977.32

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

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products at transaction price & Construction and Service Contracts at contracted price	9,891.51	8,104.28
Reductions towards variable consideration components *	(206.15)	(126.96)
Revenue recognised in profit & loss	9,685.36	7,977.32

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

- Revenue recognised relating to performance obligations that were satisfied in a prior year amounted to ₹ Nil crore (March 31, 2023 ₹ Nil crore).
- The aggregate value of Order Book as at March 31, 2024, is ₹ 5,697 crores (March 31, 2023 ₹ 5,042 crores). Out of this, the Company expects to recognise revenue of around 62% within the next one year and the remaining thereafter.
- Changes in contract assets and contract liabilities during the reporting period:

(₹ Crores)

Particulars	As at March March 31, 2024	As at March March 31, 2023
Opening balance - Contract assets (net of impairment)	576.36	444.10
Opening balance - Contract liabilities*	(196.27)	(168.35)
Net contract assets	380.09	275.75
Add : Revenue recognised during the year	3,026.62	2,430.71
Less : Progress billing during the year	(2,912.21)	(2,326.37)
Closing Balance	494.50	380.09
Closing balance contract assets (net of impairment)	730.45	576.36
Closing balance contract liabilities including income received in advance	(235.94)	(196.27)
The Group has recognised revenue out of opening contract liabilities	155.32	168.35

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

51 ISSUE OF SHARES (QUALIFIED INSTITUTIONAL PLACEMENT)

The Parent Company has issued 1,29,87,012 equity shares of face value of ₹ 2 each through Qualified Institutional Placement, (QIP) on September 22, 2023 at an issue price of ₹ 770 per equity share (including premium of ₹ 768 per equity share). Total amount raised through QIP amounts to ₹1,000 crores.

Following are the details of utilisation of proceeds of ₹ 981.78 crores post meeting issue expenses of ₹ 18.22 excluding GST and net of TDS:

(₹ Crores)

Agreed purpose	Proposed Utilisation	Utilisation up to March 31, 2024	Unutilised amount as on March 31, 2024
Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by Blue Star Limited	565.56	565.56	-
Investment into subsidiary, Blue Star Climatech Limited, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by Blue Star Climatech Limited	169.44	169.44	-
Investment into subsidiary, Blue Star Climatech Limited, for financing the cost towards the expansion of Sri City Facility	125.00	95.56	29.44
General corporate purpose	121.78	121.70	0.08
Total	981.78	952.26	29.52

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

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Transaction for the year ended March 31, 2024	Balance outstanding as at March 31, 2024	Transaction for the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Relation with struck off Company
Enviro Clinic Lab Private Limited	U41000DL2014PTC273772	Purchase	-	(0.08)	-	(0.08)	Vendor
Cooltech Systems Private Limited	U74140DL2014PTC266635	Purchase	-	(0.07)	-	(0.07)	Vendor
New Tech Infra Engineers	U45201DL2012PTC230791	Purchase	-	(0.06)	-	(0.06)	Vendor
Ask Solar Private Limited	U40300TN2012PTC088834	Purchase	-	(0.04)	-	(0.04)	Vendor
Vrv Engineers Private Limited	U50101TN2006PTC061058	Purchase	-	(0.01)	-	(0.01)	Vendor
Fortune Metal Facades	U27109PN2010PTC136584	Purchase	-	(0.01)	-	(0.01)	Vendor
Saqib Tech India Private Limited	U22212DL2012PTC230515	Purchase	-	*	-	*	Vendor
Scanstar Inspection Technology	U74999TN2011PTC080315	Purchase	-	*	-	*	Vendor
Skyline Distributors (P)	U26931DL1991PTC045481	Purchase	-	*	-	*	Vendor
Pioneer Techno Engineerin	U45303OR2012PTC016137	Purchase	-	*	-	*	Vendor
24X7 Swift Services Private Limited	U74120UP2015PTC072956	Purchase	-	*	-	*	Vendor
Competent Engineers	U45203DL1981PTC012338	Purchase	-	*	-	*	Vendor
United Agro Care India Private Limited	U01111PY2007PTC002031	Purchase	-	*	-	*	Vendor
Jans Ayra Developers Private Limited	U45400HR2014PTC051982	Purchase	-	*	-	*	Vendor
Vsm Consulting Services	AAA-2181	Purchase	-	*	-	*	Vendor
Acme D Ace Marketing Solution	U93000DL2013PTC252498	Purchase	-	*	-	*	Vendor
Gourmet King LLP	AAQ-5266	Purchase	-	*	-	*	Vendor
Adam Exports Private Limited	U17299MH2015PTC263547	Sales	0.02	*	0.02	-	Customer

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024 (Contd.)

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Transaction for the year ended March 31, 2024	Balance outstanding as at March 31, 2024	Transaction for the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Relation with struck off Company
Ilona Hospitalities Private Limited	U55209KA2017PTC104385	Sales	*	*	-	-	Customer
Kc Exim Private Limited	U24231PB1993PTC013998	Sales	*	*	-	0.00	Customer
Narayana Multispeciality	U85110MH2011PTC220765	Sales	(0.01)	*	0.05	0.04	Customer
Saim Air Private Limited	U74900UP2014PTC063764	Sales	-	*	*	*	Customer
Saturn Fitness Opc Private Limited	U74999MH2017OPC302017	Sales	-	*	-	0.01	Customer
Shamk Mercantile Private Limited	U52331OR2015PTC019261	Sales	0.01	*	0.02	*	Customer
Vbr Pacific Private Limited	U51909TN2019PTC130620	Sales	*	*	*	*	Customer
Micro Flow Contamination	U90001TN2015PTC101441	Sales	0.16	*	-	-	Customer

* Indicates amount less than ₹ 1 lakh

53 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

- The Group neither holds any benami property nor any proceedings have been initiated or pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

54 PREVIOUS YEAR COMPARATIVES

Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

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 02, 2024

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, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the

state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Accounting for Fixed Price Contract:</p> <p>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 16, 24, 28 and 48)</p>	<p>Principal audit procedures performed included the following:</p> <ul style="list-style-type: none"> i. Assessed the appropriateness of the accounting policy for recognizing revenue on fixed price contracts with the requirements of Ind AS 115. ii. Evaluated the design and implementation of internal controls over recording of actual cost till date and estimation of total cost required to complete the performance obligations. iii. Tested the operating effectiveness of the said internal controls for a selected sample of contracts. 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.

Independent Auditor’s Report (Contd.)

Sr. No.	Key Audit Matter	Auditor’s Response
2	<p>Assessment of the carrying value of trade receivables and contract assets:</p> <p>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 13 and 16)</p>	<p>Principal audit procedures performed included the following:</p> <ul style="list-style-type: none"> 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 THOSE CHARGED WITH GOVERNANCE 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance

of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is 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 are 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

Independent Auditor's Report (Contd.)

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, except for matters stated in (i)(vi) below.

Independent Auditor's Report (Contd.)

- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) 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.
- h) 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.
- i) 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

Independent Auditor's Report (Contd.)

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 19 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled

at the database level to log any direct data changes.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

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: 24100459BKFASY1304)

Place: Mumbai

Date: May 02, 2024

Annexure “A” to the Independent Auditor’s Report

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO 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, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to 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

Annexure "A" to the Independent Auditor's Report (Contd.)

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, 2024, 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: 24100459BKFASY1304)

Place: Mumbai

Date: May 02, 2024

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Blue Star Limited 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, 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, 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 and non-current assets held for sale) 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, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based

on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained by the management and in respect of goods in transit, the goods have been received subsequent to the year-end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed, as applicable, when compared with the books of account.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock, creditors, book debt statements, statements on ageing analysis of the debtors and other stipulated financial information) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters. The Company has not been sanctioned any working capital facility from financial institutions.
- (iii) The Company has made investments in, provided guarantee and granted unsecured loans to companies and other parties, during the year, in respect of which:
- (a) The Company has provided unsecured loans to companies and other parties and stood guarantee during the year and details of which are given below:

(Rs in crores)

Particulars	Loans	Guarantees
A. Aggregate amount granted / provided during the year:		
- Subsidiaries	25.00	-
- Others (Employees)	3.50	64.55
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries	25.00	64.64
- Others (Employees)	7.60	-

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

Annexure "B" to the Independent Auditor's Report (Contd.)

- (b) The investments made and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, *prima facie*, 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 other than loan of Rs 4.46 crores to a joint venture which has been fully provided for in earlier years – refer note 10 to the financial statements.
- (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 other than the loan fully provided for in earlier years referred above.
- (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 and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of the cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 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, 2024 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 (Rs. Crore)	Amount unpaid (Rs. Crore)
Income Tax Act, 1961	Income Tax	High Court	PY 1997-98, PY 1999-2000, PY 2001-02, PY 2002-03, PY 2003-04	4.61	4.61
		Income Tax Appellate Tribunal (ITAT)	PY 2005-06, PY 2006-07	4.94	4.20
		Assessing Officer	PY 2006-07	1.28	1.28
		Commissioner of Income Tax Appeals	PY 2007-08, PY 2008-09, PY 2013-14 to PY 2017-18, PY 2019-20, PY 2020-21, PY 2021-22	88.32	88.32

Annexure "B" to the Independent Auditor's Report (Contd.)

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (Rs. Crore)	Amount unpaid (Rs. Crore)
Local Sales Tax Act, Central Sales Tax Act and VAT Act	VAT, CST, Sales Tax, Entry Tax	Supreme Court	FY 2009-10 to 2010-11	7.85	7.85
		Tribunal and Appellate Board	FY 2001-02 to 2002-03 and FY 2007-08 to 2017-18	11.12	5.13
		Commissioner Appeals, Commercial Tax Officer and Assessing Officer (CWG)	FY 2001-02, 2008-09, 2011-12, 2014-15 to 2017-18	9.02	8.24
Service tax under Finance Act, 1994	Service tax	High court	FY 2004-05	6.85	6.85
		CESTAT	FY 2004-05 to 2013-14	36.77	35.57
		Commissioner (Appeals)	FY 2005-06 to 2009-10, 2012-13 and 2014-15 to 2017-18	6.78	6.62
Customs Act, 1962 and Central Excise Act, 1944	Excise Duty and Customs	CESTAT	FY 1988-89, FY 1994-95 to FY 1995-96 and FY 2007-08 to FY 2015-16	0.73	0.69
		Commissioner (Appeals) and Superintendent	FY 1987-88 to FY 1989-90, and FY 2006-07 to FY 2015-16	4.18	4.15
Goods and Service Act, 2017	Goods and Service Tax	Commissioner appeals, Joint Commissioner appeals, Additional commissioner appeals	FY 2017-18 to 2019-20 and FY 2022-23	12.57	11.87

- (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) To the best of our knowledge and belief, in our opinion, term loans availed by the Company during the year, were, applied by the Company for the purposes for which the loans were obtained. These term loans were repaid during the year.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (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) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under section 143(12) of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit

Annexure "B" to the Independent Auditor's Report (Contd.)

- 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, 2024.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its subsidiary companies, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) 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.
- (b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause 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: 24100459BKFASY1304)

Place: Mumbai

Date: May 02, 2024

Standalone Balance Sheet

as at March 31, 2024

(₹ Crores)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
A ASSETS			
1. Non-current assets			
(a) Property plant and equipment	4	604.48	420.71
(b) Capital work-in-progress	5	26.21	30.46
(c) Investment property	6	*	*
(d) Right-of-use assets	7	67.13	81.14
(e) Intangible assets	8A	92.04	57.89
(f) Intangible assets under development	8B	18.96	22.32
(g) Financial assets			
(i) Investments	9	767.16	330.09
(ii) Loans	10	5.53	4.32
(iii) Other financial assets	11	26.47	20.03
(h) Income tax assets (net)	27	118.98	116.99
(i) Deferred tax assets	27	-	4.17
(j) Other non-current assets	16	29.38	47.02
Total non-current assets		1,756.34	1,135.14
2. Current assets			
(a) Inventories	12	1,232.66	1,313.80
(b) Financial assets			
(i) Investments	9	189.99	119.74
(ii) Trade receivables	13	1,799.67	1,328.14
(iii) Cash and cash equivalents	14	258.61	171.28
(iv) Other bank balances	15	3.70	3.94
(v) Loans	10	27.07	36.51
(vi) Other financial assets	11	31.57	17.36
(c) Other current assets	16	868.02	718.19
Non-current asset held for sale	4	-	1.63
Total current assets		4,411.29	3,710.59
Total assets		6,167.63	4,845.73
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	17	41.12	19.26
(b) Other equity	18	2,470.37	1,259.17
Total equity		2,511.49	1,278.43
2. Non-current liabilities			
(a) Financial liabilities			
Lease liabilities	22	55.85	67.48
(b) Provisions	25	15.91	11.38
(c) Government grants	26	7.65	7.57
(d) Deferred tax liabilities	27	3.83	-
Total non-current liabilities		83.24	86.43
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	235.48	477.31
(ii) Lease liabilities	22	20.64	19.51
(iii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	21	197.11	146.88
(B) Total outstanding dues of creditors other than micro and small enterprises		2,202.39	2,109.08
(iv) Other financial liabilities	23	35.23	26.89
(b) Government grants	26	1.18	1.08
(c) Other current liabilities	24	787.35	607.77
(d) Provisions	25	50.66	44.17
(e) Income tax liabilities (net)	27	42.86	48.18
Total current liabilities		3,572.90	3,480.87
Total equity and liabilities		6,167.63	4,845.73

* Indicates amount less than ₹ 1 lakh

Summary of material accounting policies

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

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1 to 52

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

Ketan Vora
Partner
Membership No. 100459

Mumbai: May 02, 2024

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

Vir S. Advani
B. Thiagarajan
Nikhil Sohoni
Rajesh Parte

Chairman and Managing Director (DIN: 01571278)
Managing Director (DIN: 01790498)
Group Chief Financial Officer
Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ Crores)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	28	8,998.88	7,353.13
Other income	29	41.30	29.83
Total income (I)		9,040.18	7,382.96
Expenses			
Cost of raw materials consumed (including direct project and service cost)	30	5,413.96	4,778.37
Purchase of stock-in-trade	30	1,509.24	1,135.04
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	108.64	(149.59)
Employee benefits expense	31	597.18	497.06
Finance costs	32	55.98	58.18
Depreciation and amortisation expense	33	75.35	80.34
Other expenses	34	788.14	649.77
Total expenses (II)		8,548.49	7,049.17
Profit before exceptional items and tax (I) – (II)		491.69	333.79
Exceptional items	35	-	170.81
Profit before tax (I-II)		491.69	504.60
Tax expense			
i) Current tax	27	116.19	118.13
ii) Deferred tax	27	8.00	19.89
Total tax expense		124.19	138.02
Net profit after tax		367.50	366.58
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		(2.24)	(0.22)
Income tax effect	27	0.56	0.06
Other comprehensive income / (loss) for the year		(1.68)	(0.16)
Total comprehensive income for the year		365.82	366.42
Earnings per share	36		
Basic (in ₹)		18.43	19.03
Diluted (in ₹)		18.43	19.03
Summary of material accounting policies	2		
The accompanying notes are an integral part of the financial statements.	1 to 52		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Ketan Vora

Partner

Membership No. 100459

For and on behalf of the Board of Directors of

BLUE STAR LIMITED

Vir S. Advani

B. Thiagarajan

Nikhil Sohoni

Rajesh Parte

Chairman and Managing Director (DIN: 01571278)

Managing Director (DIN: 01790498)

Group Chief Financial Officer

Company Secretary

Mumbai: May 02, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

(A) Equity Share Capital

For the year ended March 31, 2024

(₹ Crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
19.26	-	-	21.86	41.12

For the year ended March 31, 2023

(₹ Crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
19.26	-	-	-	19.26

(B) Other Equity

For the year ended March 31, 2024

(₹ Crores)

Particulars	Reserves and surplus					Total other equity
	Securities premium (refer note 18)	Capital redemption reserve (refer note 18)	Capital subsidy from government (refer note 18)	General reserve (refer note 18)	Retained Earning (refer note 18)	
Balance as at April 01, 2023	210.15	2.34	0.60	326.05	720.03	1,259.17
Profit for the period	-	-	-	-	367.50	367.50
Other comprehensive income for the year (net of tax)	-	-	-	-	(1.68)	(1.68)
Total comprehensive income for the period	-	-	-	-	365.82	365.82
Issue of bonus equity shares	(19.26)	-	-	-	-	(19.26)
Premium on allotment of equity shares	997.40	-	-	-	-	997.40
Expenses on allotment of equity shares	(17.18)	-	-	-	-	(17.18)
Dividend (refer note 19)	-	-	-	-	(115.58)	(115.58)
Balance as at March 31, 2024	1,171.11	2.34	0.60	326.05	970.27	2,470.37

For the year ended March 31, 2023

(₹ 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)	Retained Earning (refer note 18)	
Balance as at April 01, 2022	210.15	2.34	0.60	326.05	449.91	989.05
Profit for the year	-	-	-	-	366.58	366.58
Other comprehensive income for the year (net of tax)	-	-	-	-	(0.16)	(0.16)
Total comprehensive income for the year	-	-	-	-	366.42	366.42
Dividend (refer note 18)	-	-	-	-	(96.30)	(96.30)
Balance as at March 31, 2023	210.15	2.34	0.60	326.05	720.03	1,259.17

Summary of material accounting policies

2

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

1 to 52

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

Ketan Vora
 Partner
 Membership No. 100459

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

Vir S. Advani
B. Thiagarajan
Nikhil Sohoni
Rajesh Parte

Chairman and Managing Director (DIN: 01571278)
 Managing Director (DIN: 01790498)
 Group Chief Financial Officer
 Company Secretary

Mumbai: May 02, 2024

Standalone Statement of Cash Flows

for the year ended March 31, 2024

(₹ Crores)

Particulars	Year Ended (Audited) March 31, 2024	Year Ended (Audited) March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	491.69	504.60
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	75.35	80.34
Finance cost	55.98	58.18
Rental income	(0.50)	(0.47)
Interest income	(7.36)	(7.26)
Gain on sale of mutual fund	(15.01)	(10.33)
Net unrealised foreign exchange (gain) / loss	(0.05)	(0.15)
Loss on sale of property, plant & equipment other than freehold land	2.11	6.91
Profit on sale of freehold land (exceptional item)	-	(170.81)
Deferred income arising on government grant	(5.37)	(3.27)
Unrealised gain on commodity hedging	(1.37)	-
Bad debts written off and provision for doubtful debts	54.01	49.56
Provisions and liabilities written back	(51.33)	(28.91)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	598.15	478.39
Adjustment for movement in working capital :		
(Increase)/decrease in trade receivables	(525.54)	(358.80)
(Increase)/decrease in Inventories	81.14	(187.43)
(Increase)/decrease in financial assets / other assets	(172.10)	(122.11)
Increase/(decrease) in trade payables	194.33	441.82
Increase/(decrease) in other liabilities	182.09	129.12
Increase/(decrease) in government grants	2.92	2.22
Increase/(decrease) in provisions	8.78	1.34
Cash generated from operations	369.77	384.55
Income taxes paid	(122.94)	(80.59)
Net cash generated from operating activities (A)	246.83	303.96
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and other intangible assets [including capital work-in-progress and intangibles under development]	(235.73)	(163.15)
Government grants toward purchase of equipment	2.63	-
Proceeds from sale of property, plant and equipment	5.08	7.39
Proceeds from sale of freehold land (exceptional item)	-	170.83
Direct taxes paid on sale of freehold land (exceptional item)	-	(34.81)
Sale of current investments	5,110.30	3,650.62
Purchase of current investments	(5,165.53)	(3,615.00)
Non-current investment in subsidiary	(437.07)	(82.67)
Inter corporate deposit repaid by subsidiary	35.00	5.00
Inter corporate deposit given to subsidiary	(25.00)	(35.00)
Rent received	0.50	0.47
Interest received	11.18	10.20
Net cash used in investing activities (B)	(698.64)	(86.12)

Standalone Statement of Cash Flows
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	Year Ended (Audited) March 31, 2024	Year Ended (Audited) March 31, 2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Inter corporate deposit taken from subsidiary	85.00	120.00
Inter corporate deposit repaid to subsidiary	(120.00)	(160.00)
Commercial papers borrowed	1,525.00	900.00
Commercial papers repaid	(1,575.00)	(750.00)
Proceeds from / (repayments of) current borrowings (net)	18.17	2.35
Repayment of non-current borrowings	(325.00)	(175.00)
Proceeds from non-current borrowings	150.00	-
Repayment of lease liabilities	(25.50)	(27.55)
Finance cost paid	(61.13)	(61.20)
Proceeds from issue of equity shares	1,000.00	-
Initial cost on issue of equity shares	(16.64)	-
Dividend paid to owners of the Company	(115.81)	(96.37)
Net cash generated from / (used in) financing activities (C)	539.09	(247.77)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	87.28	(29.93)
Cash and cash equivalents at the beginning of the year	171.16	200.94
Effect of exchange differences on restatement of foreign currency cash & cash equivalents	0.05	0.15
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	258.49	171.16
CASH AND CASH EQUIVALENTS COMPRISES OF :		
Balances with banks:		
– In current accounts	118.64	87.80
– In fixed deposits	139.63	83.03
Cash on hand	0.34	0.45
Total cash and cash equivalents (refer note 14)	258.61	171.28
– Bank overdraft (refer note 20)	(0.12)	(0.12)
Balance as per statement of cash flows	258.49	171.16

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, 2024 :

(₹ Crores)

Particulars	Non current borrowings	Current borrowings	Lease liabilities
At the beginning of the year	-	477.31	86.99
Cash flows during the year (net)	(175.00)	(66.83)	(25.50)
Current maturity of long term borrowings	175.00	(175.00)	-
Transaction cost written off	-	-	-
At the end of the year (excluding interest liability on borrowings)	-	235.48	61.49
Non cash changes due to :			
-Acquisitions under finance lease	-	-	6.77
-Interest on finance lease	-	-	8.23
-Interest on borrowings (clubbed under other financial liabilities)	-	-	-
At the end of the year (including interest liability on borrowings)	-	235.48	76.49

Standalone Statement of Cash Flows
for the year ended March 31, 2024 (Contd.)

Reconciliation between the opening and closing balances for liabilities arising from financing activities for the year ended March 31, 2023 :

(₹ Crores)

Particulars	Non current borrowings	Current borrowings	Lease liabilities
At the beginning of the year	173.00	366.94	71.18
Cash flows during the year (net)	-	(64.06)	(27.55)
Current maturity of long term borrowings	(174.43)	174.43	-
Transaction cost written off	1.43	-	-
At the end of the year (excluding interest liability on borrowings)	-	477.31	43.63
Non cash changes due to :			
-Acquisitions under finance lease	-	-	34.75
-Interest on finance lease	-	-	8.61
-Interest on borrowings (clubbed under other financial liabilities)	-	11.64	-
At the end of the year (including interest liability on borrowings)	-	488.95	86.99

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 and on behalf of the Board of Directors of

For DELOITTE HASKINS & SELLS LLP

BLUE STAR LIMITED

Chartered Accountants

Ketan Vora

Vir S. Advani

Chairman and Managing Director (DIN: 01571278)

Partner

B. Thiagarajan

Managing Director (DIN: 01790498)

Membership No. 100459

Nikhil Sohoni

Group Chief Financial Officer

Rajesh Parte

Company Secretary

Mumbai: May 02, 2024

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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.

The financial statements of the Company were approved by its Board of Directors on May 02, 2024.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation and presentation

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

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

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

The 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 recognised 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 recognised in the financial statements are disclosed in Note 3.

(c) Revenue recognition

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

i. Revenue from sale of goods:

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

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

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, commission paid to acquire the contract) are recognised as assets and amortised 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 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.

(d) 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.

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

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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 recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Code on Social Security, 2020

The Code on Social Security, 2020 ('the Code') received presidential assent on September 28, 2020. However, the date on which the Code will come into effect has not yet been notified. The Company will 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 recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for short-term leases and low-value leases. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

(a) Right-of-use asset :

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

of useful life of the ROU assets or the end of the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "I" Impairment of non-financial assets.

(b) Lease liability :

Lease liability is measured by discounting the lease payments using the interest rate using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

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

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

As a lessor

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

(g) Foreign currencies

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

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 recognised 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 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 taxes are also recognised 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 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

Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions, and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii. Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income 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 income 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 income tax asset to be utilised.

(i) Exceptional items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature, or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of financial statements in making projections of future financial performance.

(j) Property, plant and equipment

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

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

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

Nature of tangible asset	Useful life (years)
Factory buildings	30
Other buildings	60
Roads	5
Temporary structure	3
Plant & Machinery (Patterns, moulds and dies)	8-20
Furniture and fixtures	10
Office equipment	5
Vehicles	5

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Nature of tangible asset	Useful life (years)
Computer - desktop, laptops , servers and networks	3
Infrastructure development rights	30
Leasehold Improvements	6 or the life based on lease period, whichever is lower

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

Freehold land is not depreciated.

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

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

With effect from October 1, 2022, the Company has revised the method of depreciation on property, plant and equipment (PPE) from Written Down Value (WDV) method to Straight Line Method (SLM) based on technical assessment done by independent technical consultants with regards to estimated useful lives of the assets and pattern of economic benefits expected to be generated from these assets. This change in depreciation method has resulted in lower depreciation expense in the Statement of Profit and Loss by ₹ 17.15 crores for the year ended March 31, 2023.

Capital work-in-progress and capital advance

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition | construction of PPE which are

outstanding at the Balance Sheet date are classified under the 'Capital Avances'.

(k) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised on a straight- line basis over their estimated useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are derecognised on disposal, or when no further economic benefits are expected from use or disposal. Any gain or loss arising from derecognition is included in profit or loss.

Nature of intangible asset	Useful life
Software (Acquired)	6 years
Technical know how (Internally generated)	6 years

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

Research and development costs

Research costs are expensed as incurred. Development expenditure on projects is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention and ability to complete and to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the asset.
- The ability to measure reliably the expenditure incurred during development.

Development expenditure that does not meet the above criteria is expensed as incurred.

During the period of development, the asset is tested for impairment annually.

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

(l) Impairment of non-financial assets

Property, plant and equipment, right of use assets and intangible assets with finite lives are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined for the individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and an impairment loss is recognised in profit or loss.

(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 recognised 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 recognised 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 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 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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 amortised 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 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 Company 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 de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value measurement

When the fair values of financial assets or financial liabilities recorded 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 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

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

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

(n) Inventories

Inventories including Work- in- Progress (other than construction contracts) are valued at cost or net realisable 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 realisable 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 recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount 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.

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 recognised in the financial statements. However, where an inflow of economic benefits is probable, the Company discloses the same in the financial statements

(p) Segment reporting

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

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

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

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

(q) Earnings per share

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

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

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

(r) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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.

Recent accounting pronouncements

'Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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 recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

Contract variations

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

Rebates and discounts

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

Warranties

Provision for warranty costs in respect of products sold that are still under warranty is based on the best estimate of the expenditure that will be required to settle the present obligation at the end of the reporting period.

Inventory

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

Useful lives of property, plant and equipment and intangible assets

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

Employee benefit plans

The present value of defined benefit obligations is determined on an actuarial basis using several 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 capitalises intangible assets under development for a project in accordance with the accounting policy. The 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 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.

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, 2024 (Contd.)

4 PROPERTY PLANT AND EQUIPMENT

(₹ Crores)

Particulars	Land - freehold	Leasehold improvements	Buildings	Plant and equipment	Furniture & fixtures	Office equipment	Vehicles	Computers	Total
Gross carrying value									
As at April 01, 2022	15.35	7.54	79.90	322.50	14.39	7.93	26.86	30.32	504.79
Additions during the year	0.00	0.08	64.13	117.08	2.41	5.44	15.85	1.90	206.89
Disposals / Transfers during the year	(0.02)	(0.70)	(5.54)	(14.39)	(3.41)	(2.15)	(4.91)	(1.27)	(32.39)
Reclassification	-	(1.12)	0.64	1.16	-	(0.68)	-	-	-
As at March 31, 2023	15.33	5.80	139.13	426.35	13.39	10.54	37.80	30.95	679.29
As at April 01, 2023	15.33	5.80	139.13	426.35	13.39	10.54	37.80	30.95	679.29
Additions during the year	-	-	43.35	151.93	2.01	3.55	16.75	9.55	227.14
Disposals / Transfers during the year	-	-	(0.48)	(7.98)	(1.07)	(0.79)	(7.54)	(1.77)	(19.63)
As at March 31, 2024	15.33	5.80	182.00	570.30	14.33	13.30	47.01	38.73	886.80
Accumulated Depreciation									
As at April 01, 2022	-	4.51	32.74	142.55	8.71	4.92	14.38	27.35	235.16
Disposals / Transfers during the year	-	(0.55)	(0.46)	(10.99)	(3.34)	(2.09)	(3.80)	(1.22)	(22.45)
Depreciation charged for the year	-	0.61	5.14	30.57	1.20	1.40	5.69	1.26	45.87
As at March 31, 2023	-	4.57	37.42	162.13	6.57	4.23	16.27	27.39	258.58
As at April 01, 2023	-	4.57	37.42	162.13	6.57	4.23	16.27	27.39	258.58
Disposals / Transfers during the year	-	-	(0.46)	(6.51)	(1.00)	(0.75)	(5.55)	(1.67)	(15.94)
Depreciation charged for the year	-	0.49	3.84	24.92	0.81	1.53	6.65	1.44	39.68
As at March 31, 2024	-	5.06	40.80	180.54	6.38	5.01	17.37	27.15	282.32
Net Book Value									
As at March 31, 2024	15.33	0.74	141.20	389.76	7.95	8.29	29.64	11.57	604.48
As at March 31, 2023	15.33	1.22	101.71	264.22	6.82	6.31	21.54	3.56	420.71

Note :

1. All the title deed of immovable property (other than properties on lease) are in the name of the Company.

(₹ Crores)

Non current asset Held for Sale	As at March 31, 2024	As at March 31, 2023
Asset held for sale	1.63	5.90
Addition during the year	0.15	2.51
Less: Discard & disposal	(1.78)	(6.78)
Less: Impairment allowance	-	-
Asset held for sale	-	1.63

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**5 CAPITAL WORK IN PROGRESS**

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work in Progress (Refer note below)	26.21	30.46
Total Capital Work in Progress	26.21	30.46

Note:- Capital work in progress includes interest on other borrowings of ₹ 1.74 crores capitalised.

Ageing of Capital work in progress

(₹ Crores)

Particulars	As at March 31, 2024					As at March 31, 2023				
	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	22.97	2.72	0.52	-	26.21	22.54	7.92	-	-	30.46
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total capital work in progress	22.97	2.72	0.52	-	26.21	22.54	7.92	-	-	30.46

Note:

- Refer note 38(b) for disclosure of contractual commitment for acquisition of property, plant and equipment.
- According to assessment of the management, there are no events or changes in circumstances that suggest impairment of PPE as per IND AS 36 Impairment of assets. Consequently, no provision for impairment has been reported.
- There are no projects/items forming part of above schedule whose completion is overdue or has exceeded its cost compared to its original plan.

6 INVESTMENT PROPERTY

Particulars	₹ Crores
Fair Value #	
As at March 31, 2024	7.62
As at March 31, 2023	7.19

* Indicates amount less than ₹ 1 lakh.

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.

Assets given on operating lease :-

- i) The Company has entered into lease arrangements, for renting the following :

Category of asset	Area (Sq. ft)	Period
Building	2050	5 years

- ii) Disclosure in respect of assets given on operating lease included in following heads :

Particulars	As at March 31, 2024	As at March 31, 2023
Investment Property	*	*

Movement in fair valuation of investment property

Particulars	₹ Crores
As at March 31, 2023	7.19
Increase in fair valuation	0.43
As at March 31, 2024	7.62

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Information regarding income and expenditure of Investment Property

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Rental income derived from investment property	0.50	0.47
Direct operating expenses (including repairs and maintenance) associated with investment properties	-	-
Profit arising from investment property before depreciation and indirect expenses	0.50	0.47
Less: Depreciation	*	*
Profit arising from investment property before indirect expenses	0.50	0.47

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.

7 RIGHT OF USE ASSETS

(₹ Crores)

Particulars	Buildings	Total
Gross carrying value		
As at April 01, 2022	112.86	112.86
Additions during the year	37.76	37.76
Disposals / Transfers during the year	-	-
As at March 31, 2023	150.62	150.62
As at April 01, 2023	150.62	150.62
Additions during the year	7.24	7.24
Disposals / Transfers during the year	(1.43)	(1.43)
As at March 31, 2024	156.43	156.43
Accumulated Amortisation		
As at April 01, 2022	46.73	46.73
Amortisation for the year	22.75	22.75
As at March 31, 2023	69.48	69.48
As at April 01, 2023	69.48	69.48
Amortisation for the year	19.82	19.82
As at March 31, 2024	89.30	89.30
Net Book Value		
As at March 31, 2024	67.13	67.13
As at March 31, 2023	81.14	81.14

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**8 A. INTANGIBLE ASSETS**

(₹ Crores)

Particulars	Technical knowhow (Internally Generated)	Software (Acquired)	Total
Gross carrying value			
As at April 01, 2022	64.31	88.35	152.66
Additions during the year	20.44	11.20	31.64
Disposals / Transfers during the year	-	(0.05)	(0.05)
As at March 31, 2023	84.75	99.50	184.25
As at April 01, 2023	84.75	99.50	184.25
Additions during the year	36.67	19.15	55.82
Disposals / Transfers during the year	(1.44)	(0.01)	(1.45)
As at March 31, 2024	119.98	118.64	238.62
Amortisation			
As at April 01, 2022	50.71	60.38	111.09
Disposals / Transfers during the year	-	(0.05)	(0.05)
Amortisation for the year	4.83	10.49	15.32
As at March 31, 2023	55.54	70.82	126.36
As at April 01, 2023	55.54	70.82	126.36
Disposals / Transfers during the year	-	(0.02)	(0.02)
Amortisation for the year	9.13	11.11	20.24
As at March 31, 2024	64.67	81.91	146.58
Net Book Value			
As at March 31, 2024	55.31	36.73	92.04
As at March 31, 2023	29.21	28.68	57.89

8 B. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	18.96	22.32
Total intangible assets under development	18.96	22.32

INTANGIBLE ASSETS UNDER DEVELOPMENT**Ageing of Intangible assets under development**

(₹ Crores)

Particulars	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	17.54	1.34	0.08	-	18.96
Total Intangible assets under development	17.54	1.34	0.08	-	18.96

(₹ Crores)

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	20.70	1.62	-	-	22.32
Total Intangible assets under development	20.70	1.62	-	-	22.32

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

9 INVESTMENTS

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
I. Non current investments		
Unquoted investments measured at amortised cost		
Investment in equity instruments		
Investment in subsidiaries		
5,29,25,052 (March 31, 2023 : 5,29,25,052) fully paid equity shares of ₹ 2 each in Blue Star Engineering and Electronics Ltd.	210.89	210.89
49 (March 31, 2023 : 49) fully paid equity shares of QR 2000 each in Blue Star Qatar (WLL)	0.12	0.12
5,350 (March 31, 2023: 5,350) Fully Paid Equity Shares of AED 1000 each in Blue Star International FZCO	9.81	9.81
51,50,00,000(March 31, 2023 : 9,66,00,000) fully paid equity shares of ₹ 10 each in Blue Star Climatech Ltd.	515.00	96.60
15,000 (March 31 2023 : 1,00,00) fully paid equity shares of USD 100 each in Investment in Blue Star North America Inc	12.41	8.26
1,00,000 (March 31 2023 : 50,000) fully paid equity shares of EUR 10 in Investment in Blue Star Europe BV	8.93	4.41
Investment in Blue Star Japan LLC	10.00	-
Investment in Joint Ventures (Refer Note 39)		
2,55,000 (March 31, 2023 : 2,55,000) Fully paid Equity shares of OMR 1 each in Blue Star Oman Electro-Mechanical Co. LLC	4.34	4.34
Less: Impairment (refer note 25)	(4.34)	(4.34)
Total Non current investments	767.16	330.09
II. Current investments		
Investment in units of mutual funds measured at FVTPL		
Investment in unquoted units of mutual funds		
Growth Scheme		
47,482.746 Units (March 31, 2023: 9,199 Units) in HDFC Mutual Fund	22.52	3.06
1,64,866.858 Units (March 31, 2023: NIL Units) in ICICI Prudential Mutual Fund	5.89	-
93,252.90 Units (March 31, 2023: NIL Units) in SBI Mutual Fund	35.24	-
1,16,697.63 Units (March 31, 2023: 78,662 Units) in UTI Mutual Fund	38.78	24.14
11,74,407.43 Units (March 31, 2023: 3,04,193 Units) in Aditya Birla Mutual Fund	45.76	25.18
678.30 Units (March 31, 2023: 2,54,832 Units) in Axis Mutual Fund	0.18	30.20
NIL Units (March 31, 2023: 3,10,716 Units) in Kotak Mutual Fund	-	37.16
96,580.50 (March 31, 2023: NIL Units) in Nippon India Mutual Fund	41.62	-
Total Current investments	189.99	119.74

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**10 LOANS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)**

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Measured at amortised cost				
Loans to employees, considered good	5.53	4.32	2.07	1.51
Inter corporate deposit given to subsidiary (related party - refer note no. 39)	-	-	25.00	35.00
Loan to joint venture - credit impaired (related party - refer note 39)	4.46	4.46	-	-
Less: Allowance for doubtful loan (refer point no. 3 below)	(4.46)	(4.46)	-	-
Total loans	5.53	4.32	27.07	36.51

Disclosure as per Regulation 34(3) of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015

Details of loans and advances in the nature of loans to related party (including interest receivable) :

(₹ Crores)

Particulars	Purpose	As at March 31, 2024		As at March 31, 2023	
		Maximum amount outstanding	Amount outstanding	Maximum amount outstanding	Amount outstanding
Loan to Blue Star Climatch Limited	For working capital	35.00	25.00	50.00	35.00

- 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.
- 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
 - 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 to or on behalf of the Ultimate Beneficiaries.
- 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. During the year W.J. Towell & Co LLC, an entity based in Oman, with whom the Company had entered into Shareholders' Agreement dated October 01, 2015 for managing affairs of Blue Star Oman Electro Mechanical Company, has filed arbitration proceedings against the Company with International Chamber of Commerce. The claims filed by W.J. Towell & Co LLC. are frivolous, unsubstantiated, premised on fundamental factual misstatements and contrary to the overwhelming facts and evidence. The Company is taking requisite steps to safeguard its interest.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

11 OTHER FINANCIAL ASSETS

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Security deposits, considered good	22.57	14.44	11.33	13.03
Security deposits, credit impaired	-	-	2.39	1.45
Less: Allowance for doubtful deposits	-	-	(2.39)	(1.45)
	22.57	14.44	11.33	13.03
Bank deposits with more than 12 months maturity (including accrued interest thereon)*	3.90	5.59	-	-
Financial guarantee commission receivable from a subsidiary (related party - refer note 39)	-	-	-	0.29
Interest accrued on fixed deposit	-	-	0.60	3.98
Other financial assets	-	-	18.12	-
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward contracts**	-	-	0.16	0.05
Commodity forward contracts***	-	-	1.36	-
Total other financial assets	26.47	20.03	31.57	17.36

*Margin money deposits with a carrying amount of ₹ 3.90 crores (As at March 31, 2023 : ₹ 5.59 crores) are subject to a first charge as security deposit with customers.

****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.

*****Commodity forward contracts**

The Company enters into commodity exchange forward contracts with the intention of reducing the fluctuation in price for the purchase of copper, aluminium and other raw material inputs. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

12 INVENTORIES (Valued at lower of cost and net realisable value)

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials & components	495.24	470.14
Work-in-progress	93.08	89.01
Finished goods	295.03	293.74
Stock-in-trade	275.43	389.45
Store and Spares	73.88	71.46
Total inventories	1,232.66	1,313.80
Inventories includes Goods-in-transit		
Raw materials & components	62.86	78.08
Finished goods	24.63	10.98
Stock-in-trade	17.90	46.59
Total goods-in-transit	105.39	135.65

The above inventory values are net of provisions made of ₹ 19.47 crores (March 31, 2023 : ₹ 16.00 crores) for slow moving, obsolete and defective inventory.

During the year, write down on value of inventory of ₹ 3.47 crores (March 31, 2023 ₹ 3.22 crores) recognised in statement of profit and loss.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**13 TRADE RECEIVABLES**

(₹ Crores)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - unsecured	1,875.26	1,384.81
Trade receivables - credit impaired	37.20	41.35
	1,912.46	1,426.16
Less: Impairment Allowance		
Less: Allowance for doubtful debts and credit loss	(112.79)	(98.02)
Total trade receivables	1,799.67	1,328.14

Ageing of trade receivables

(₹ Crores)

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of Payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Trade receivables considered good - unsecured	827.30	819.89	115.67	75.02	14.88	22.50	1,875.26
Trade receivables - credit impaired	-	0.36	0.41	21.19	8.70	6.54	37.20
	827.30	820.25	116.08	96.21	23.58	29.04	1,912.46
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total trade receivables	827.30	820.25	116.08	96.21	23.58	29.04	1,912.46
Less: Allowance for doubtful debts and credit loss							(112.79)
Total trade receivables	827.30	820.25	116.08	96.21	23.58	29.04	1,799.67

(₹ Crores)

Particulars	As at March 31, 2023						
	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	594.14	621.93	52.44	48.40	18.85	47.83	1,383.59
Trade receivables - credit impaired	-	0.77	18.23	2.64	2.47	15.29	39.40
	594.14	622.70	70.67	51.04	21.32	63.12	1,422.99
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	0.12	1.10	1.22
Trade receivables - credit impaired	-	-	-	-	-	1.95	1.95
	-	-	-	-	0.12	3.05	3.17
Total trade receivables	594.14	622.70	70.67	51.04	21.44	66.17	1,426.16
Less: Allowance for doubtful debts and credit loss							(98.02)
Total trade receivables							1,328.14

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (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 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.

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, 2024	As at March 31, 2023
Balance as at the beginning of the year	98.02	83.84
Add: Impairment loss recognised (refer note 34)	51.51	46.53
Less: Allowances provided earlier written back	(1.96)	-
Less: Allowances provided earlier written off as bad debts (refer note 34)	(34.78)	(32.35)
Balance as at the end of the year	112.79	98.02

14 CASH AND CASH EQUIVALENT

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalent		
<i>Balances with banks:</i>		
– In current accounts	118.64	87.80
– Deposits with original maturity of less than 3 months	139.63	83.03
Cash on hand	0.34	0.45
Total cash and cash equivalent	258.61	171.28

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

15 OTHER BANK BALANCES

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Other bank balances		
- Unpaid dividend* (refer note - 23)	3.61	3.85
- Cash & Bank balance not available for immediate use	0.09	0.09
Total other bank balances	3.70	3.94

*The Company can utilise these balances only towards settlement of unclaimed dividend and fractional shares.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**16 OTHER ASSETS**

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Contract Assets	-	-	723.59	582.15
Less: Allowance for doubtful contract assets	-	-	(39.12)	(26.13)
Contract assets (Net)	-	-	684.47	556.02
Retention	-	-	17.34	11.19
Capital advances	4.33	19.19	-	-
Balances with statutory authorities	30.58	33.34	67.58	73.48
Less : Allowance for doubtful deposits	(5.80)	(5.80)	-	-
Balance with statutory authorities (Net)	24.78	27.54	67.58	73.48
Vendor advances	-	-	66.81	42.06
Less: Allowance for doubtful vendor advance	-	-	(1.00)	(1.00)
Vendor advances (Net)	-	-	65.81	41.06
Prepaid expenses	0.27	0.29	28.91	32.09
Government grant receivable	-	-	3.91	4.35
Total other assets	29.38	47.02	868.02	718.19

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

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	26.13	20.50
Impairment loss recognised / (reversal)	25.44	10.80
Less : Allowances provided earlier written off	(12.45)	(5.17)
Balance as at the end of the year	39.12	26.13

17 EQUITY SHARE CAPITAL

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 01, 2022	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, 2023	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
At March 31, 2024	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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.

Reconciliation of the number of shares outstanding and the amount of equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ Crores	Number of shares	₹ Crores
Balance as at the beginning of the year	9,63,13,888	19.26	9,63,13,888	19.26
Issue of bonus shares (refer note a)	9,63,13,888	19.26	-	-
Issue of share through QIP (refer note b)	1,29,87,012	2.60	-	-
Balance as at the end of the year	20,56,14,788	41.12	9,63,13,888	19.26

Note :

- Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Company has issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the year ended March 31, 2024. Accordingly, the earnings per share has been adjusted for previous year and presented in accordance with Ind AS 33 - Earnings Per Share.
- The Company raised capital of ₹1,000 crores through Qualified Institutions Placement ("QIP") of equity shares. The Executive management Committee of the Board of Directors of the Company, at its meeting held on September 22, 2023, approved the allotment of 1,29,87,012 equity shares of face value ₹2 each to eligible investors at a price ₹770 per equity share (including a premium of ₹768 per equity share).

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	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%	1,19,55,601	12.41%
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	1,56,99,860	7.64%	77,19,930	8.02%
SBI Small Cap Fund	1,59,32,066	7.75%	76,24,216	7.92%
Kotak Emerging Equity Scheme	1,20,67,756	5.87%	52,84,829	5.49%

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash.**

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash.

(₹ Crores)

Particulars	As at March 31, 2024
9,63,13,888 equity shares of 2 each of the Company issued as bonus shares for consideration other than cash.	19.26

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, 2024			As at March 31, 2023		
		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 %	100.00 %	12,27,496	1.27%	(56.59)%
Vir S Advani	Promoter	21,49,250	1.05 %	100.00 %	10,74,625	1.12%	0.00 %
Sunaina Sandeep Murthy	Promoter	21,45,050	1.04 %	100.00 %	10,72,525	1.11%	1378.83 %
Dinesh Nanik Vaswani	Promoter	53,888	0.03 %	100.00 %	26,944	0.03%	0.00 %
Suneeta Nanik Vaswani	Promoter Group	17,60,644	0.86 %	84.49 %	9,54,322	0.99%	(5.36)%
Rohina Lulla	Promoter Group	43,49,260	2.12 %	272.18 %	11,68,594	1.21%	0.00 %
Anissa Khanna	Promoter Group	42,65,646	2.07 %	278.57 %	11,26,787	1.17%	0.00 %
Nargis Suneel Advani	Promoter Group	22,73,872	1.11 %	100.00 %	11,36,936	1.18%	111.75 %
Sanjay N Vaswani	Promoter Group	2,43,950	0.12 %	100.00 %	1,21,975	0.13%	0.00 %
Armaan Sandeep Murthy	Promoter Group	1,00,000	0.05 %	100.00 %	50,000	0.05%	0.00 %
Jay Talati Advani	Promoter Group	1,00,000	0.05 %	100.00 %	50,000	0.05%	0.00 %
Sumer Sandeep Murthy	Promoter Group	1,00,000	0.05 %	100.00 %	50,000	0.05%	0.00 %
Uday Vir Advani	Promoter Group	1,00,000	0.05 %	100.00 %	50,000	0.05%	0.00 %
Anita Ashok Advani	Promoter Group	60,000	0.03 %	100.00 %	30,000	0.03%	0.00 %
Dev Khanna	Promoter Group	39,250	0.03 %	100.00 %	19,625	0.02%	0.00 %
Preeti Vaswani	Promoter Group	53,700	0.02 %	100.00 %	26,850	0.03%	-
Vistra Itcl (India) Limited as a Trustee of Ashok M Advani Family Private Trust	Promoter Group	2,39,11,202	11.63 %	100.00 %	1,19,55,601	12.41%	0.00 %
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	Promoter Group	1,56,99,860	7.64 %	103.37 %	77,19,930	8.02%	0.00 %
Ashok Mohan Advani as a Trustee of Suneeta Padmini Trust	Promoter Group	11,75,344	0.57 %	100.00 %	5,87,672	0.61%	0.00 %
Ashok Mohan Advani as a Trustee of Anissa Rohina Trust*	Promoter Group	-	0.00 %	(100.00)%	20,12,072	2.09%	0.00 %
Vistra Itcl (India) Limited as a Trustee of NSA Family Trust	Promoter Group	46,00,000	2.24 %	100.00 %	23,00,000	2.39%	0.00 %
Vistra Itcl (India) Limited as a Trustee of SNA Family Trust	Promoter Group	46,00,000	2.24 %	100.00 %	23,00,000	2.39%	0.00 %
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust	Promoter Group	11,48,284	0.56 %	106.66 %	5,55,642	0.58%	2.49 %
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust	Promoter Group	11,48,280	0.56 %	106.66 %	5,55,640	0.58%	2.49 %
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust 2	Promoter Group	11,48,280	0.56 %	106.66 %	5,55,640	0.58%	2.49 %
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust 2	Promoter Group	11,48,278	0.56 %	106.66 %	5,55,639	0.58%	2.49 %
J.T.Advani Advisory Private Limited	Promoter Group	1,04,344	0.05 %	100.00 %	52,172	0.05%	0.00 %
Iman Rajiv Lulla	Promoter Group	39,250	0.02 %	100.00 %	19,625	0.02%	0.00 %
Rana Rajiv Lulla	Promoter Group	39,250	0.02 %	100.00 %	19,625	0.02%	0.00 %
Ashwin Vaswani	Promoter Group	12,000	0.01 %	100.00 %	6,000	0.01%	-
Nandeeta Vaswani	Promoter Group	12,000	0.01 %	100.00 %	6,000	0.01%	-

*Note : Pursuant to dissolution of Anissa and Rohina Trust, the shares lying in Trust were equally transferred to Anissa Khanna and Rohina Lulla.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

18 OTHER EQUITY

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Premium		
Balance as at the beginning of the year	210.15	210.15
Add: Issue of bonus equity shares	(19.26)	-
Add: Premium on allotment of equity shares	997.40	-
Less: Expenses on allotment of equity shares	(17.18)	-
Balance as at the end of the year	1,171.11	210.15
Capital redemption reserve	2.34	2.34
Capital subsidy from government	0.60	0.60
General Reserve	326.05	326.05
Retained Earnings		
Balance as at the beginning of the year	720.03	449.91
Add: Profit for the year	367.50	366.58
Less: Other comprehensive income / (loss) for the year (net of tax) [Re-measurement gains/(losses) on defined benefit plans]	(1.68)	(0.16)
Less: Dividend	(115.58)	(96.30)
Balance as at the end of the year	970.27	720.03
Total	2,470.37	1,259.17

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.

Capital redemption reserve - Capital redemption reserve was created in an earlier year for buy-back of shares.

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.

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.

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

19 DIVIDEND DISTRIBUTION MADE AND PROPOSED

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Dividend declared and paid during the year:		
Final dividend for the year ended March 31, 2023 : ₹ 6 per share (March 31, 2022 : ₹ 10)	115.58	96.30
Total Dividend Declared and Paid	115.58	96.30
Proposed Dividend on equity shares:		
Final dividend recommended by the board of directors for the year ended March 31, 2024: ₹ 7 per equity share (March 31, 2023 : ₹ 6 per equity share) subject to approval at the ensuing annual general meeting.	143.93	115.58

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**20 BORROWINGS**

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Current borrowings		
Unsecured		
Current maturities of long term debt (note h)	-	174.43
Working Capital Demand Loan from banks (note a)	-	0.02
Commercial papers		
- from bank (note c)	99.78	149.04
Inter corporate deposit received from a subsidiary (related party - refer note no. 39)	85.00	120.00
Packing credit loan from banks (note a)	50.58	33.70
Cash credit / bank overdrafts (note a)	0.12	0.12
Total current borrowings	235.48	477.31
Aggregate secured loans	-	-
Aggregate unsecured loans	235.48	477.31
Total borrowings	235.48	477.31

- Outstanding loans carry an average interest rate ranging from 5.21% - 5.50% p.a. (March 31, 2023 : 5.40% - 6.95% p.a.).
- The Company has borrowing limits from banks and financial institution on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts and no material differences exist.
- Commercial papers carry interest rate 8.00% @ p.a. for the current year. These are repayable within range of 60 days from the date of drawdown.
- Inter Corporate Deposits obtained from Related parties for meeting business requirements with interest ranging 7.61% to 7.82% p.a. ((March 31, 2023 : 5.57% to 7.97%) linked to 12 Months T bill + 0.75% with frequency being last day of the quarter ending (June/Sep/Dec/March).
Repayment upon expiry of the tenor or at such time as may be decided by both the parties.
- The Company has utilised the funds borrowed from banks and financial institution for the purpose it was taken.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- The Company have not been declared as wilful defaulter by any bank, financial institutions or other lender.
- The Company has made full repayment of remaining NCD's of ₹175 crores on June 01, 2023.
- 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
 - 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

21 TRADE PAYABLES

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	197.11	146.88
Total outstanding dues of creditors other than micro and small enterprises	2,202.39	2,109.08
Total Trade payables	2,399.50	2,255.96

Ageing of payables

(₹ Crores)

Particulars	As at March 31, 2024					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Acceptances	328.13	-	-	-	-	328.13
Undisputed						
Dues to micro and small enterprises	162.43	32.67	0.57	0.78	0.66	197.11
Dues of creditors other than micro and small enterprises	1,544.52	315.66	7.21	2.15	4.41	1,873.95
	2,035.08	348.33	7.78	2.93	5.07	2,399.19
Disputed						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	-	0.31	0.31
	-	-	-	-	0.31	0.31
Total payables	2,035.08	348.33	7.78	2.93	5.38	2,399.50

(₹ Crores)

Particulars	As at March 31, 2023					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Acceptances	298.08	-	-	-	-	298.08
Undisputed						
Dues to micro and small enterprises	124.22	22.32	0.25	0.03	0.06	146.88
Dues of creditors other than micro and small enterprises	1,440.86	346.18	13.36	4.25	5.97	1,810.62
	1,863.16	368.50	13.61	4.28	6.03	2,255.58
Disputed						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	0.31	0.06	-	-	0.01	0.38
	0.31	0.06	-	-	0.01	0.38
Total payables	1,863.47	368.56	13.61	4.28	6.04	2,255.96

Disclosure as per Section 22 of MSME Act

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	191.25	144.72
(ii) Interest due on above	3.70	0.06
(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;	-	-

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
(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*	5.86	2.16
(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.	5.86	2.16
	197.11	146.88

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.

22 LEASE LIABILITIES

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	55.85	67.48	20.64	19.51
Total lease liabilities	55.85	67.48	20.64	19.51

(₹ Crores)

Movement in lease liabilities	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	86.99	71.18
Addition during the year	6.77	34.75
Add: Interest for the year	8.23	8.61
Less : Paid during the year	(25.50)	(27.55)
Balance as at the end of the year	76.49	86.99

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

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Lease liabilities		
Before 3 months	7.24	6.83
3 -6 months	7.10	6.13
6-12 months	13.94	12.26
1-3 years	35.62	39.56
3-5 years	20.78	27.83
Above 5 years	14.93	21.66
Total undiscounted lease liabilities	99.61	114.27

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**Amounts recognised in the statement of profit and loss and cash flow statement**

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Amounts recognised in the statement of profit and loss		
Depreciation expenses	19.82	22.75
Interest on lease liabilities	8.23	8.61
Expense relating to short term lease	0.12	0.74
Expense relating to lease of low value assets	0.65	3.29
Variable lease payments	72.87	51.45
Amounts recognised in statement of cash flow		
Total cash outflow for leases	(25.50)	(27.55)

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

Variable lease payments

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

Extension and termination options

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

23 OTHER FINANCIAL LIABILITIES

(₹ Crores)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Financial liabilities at amortised cost		
Other deposits	9.14	7.99
Interest accrued but not due on borrowings	-	11.64
Unpaid Dividend (refer note 15)	3.61	3.85
Payable for capital goods	22.48	3.41
Total other financial liabilities	35.23	26.89

a) Unpaid Dividend

(₹ Crores)

Dividend	As at March 31, 2024	As at March 31, 2023
2015-16 (Interim)	-	0.55
2016-17 (Final)	0.65	0.69
2017-18 (Final)	0.65	0.68
2018-19 (Final)	0.58	0.61
2019-20 (Interim)	0.57	0.62
2020-21 (Final)	0.20	0.21
2021-22 (Final)	0.46	0.49
2022-23 (Final)	0.50	-
Total	3.61	3.85

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, 2024 (Contd.)**24 OTHER CURRENT LIABILITIES**

(₹ Crores)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Contract liabilities from construction contracts	103.50	59.28
Contract liabilities from annual maintenance contract services	78.54	75.92
Advances from customers	436.83	407.52
Dues to statutory bodies	151.50	58.07
Others	16.98	6.98
Total other current liabilities	787.35	607.77

25 PROVISIONS

(₹ Crores)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Provision for gratuity (refer note 37)	-	-	3.48	2.91
Compensated absences	-	-	15.97	13.48
Additional gratuity (refer note 37)	0.42	0.42	0.09	-
	0.42	0.42	19.54	16.39
Other provisions				
Provision for customer warranties	15.49	10.96	16.27	15.98
Provision for foreseeable loss	-	-	2.31	1.38
Provision for obligation towards guarantee given*	-	-	1.09	1.09
Other provisions	-	-	11.45	9.33
	15.49	10.96	31.12	27.78
Total	15.91	11.38	50.66	44.17

* 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. During the year W.J. Towell & Co LLC, an entity based in Oman, with whom the Company had entered into Shareholders' Agreement dated October 01, 2015 for managing affairs of Blue Star Oman Electro Mechanical Company, has filed arbitration proceedings against the Company with International Chamber of Commerce. The claims filed by W.J. Towell & Co LLC. are frivolous, unsubstantiated, premised on fundamental factual misstatements and contrary to the overwhelming facts and evidence. The Company is taking requisite steps to safeguard its interest.

Provision for warranties

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	26.94	21.89
Add:- Additional provisions made during the year	26.49	22.11
Less:- Amount used during the year	(21.00)	(16.81)
Add:- Effect of change in provision on account of discounting during the year	(0.67)	(0.25)
Balance as at the end of the year	31.76	26.94
Current portion	16.27	15.98
Non-current portion	15.49	10.96

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Provision for service warranties relates mainly for goods sold during the year ended March 31, 2024 and March 31, 2023. The provision has been based upon historical warranty data. The above values are for standard manufacturing warranty and which are usually expected to be settled between 0 to 10 years from the date of sale of product based on the component type offered by the Company.

Other Provisions for the year ended March 31, 2024

(₹ Crores)

Particulars	Provision for foreseeable loss	Provision for obligation towards guarantee given	Other Provisions
Balance as at the beginning of the year	1.38	1.09	9.33
Add:- Additional provisions made during the year	6.99	-	2.12
Less : Utilised during the year	(6.06)	-	-
Balance as at the end of the year	2.31	1.09	11.45

Other Provisions for the year ended March 31, 2023

(₹ Crores)

Particulars	Provision for foreseeable loss	Provision for obligation towards guarantee given	Other Provisions
Balance as at the beginning of the year	2.09	1.09	10.42
Add:- Additional provisions made during the year	3.68	-	-
Less : Utilised during the year	(4.39)	-	(1.09)
Balance as at the end of the year	1.38	1.09	9.33

Foreseeable loss

A provision for foreseeable loss on contract with customers is recognised when it is probable that the contract cost will exceed the total contract revenue or when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

Other Provisions

The Company has provided for certain regulatory and other charges for which it has received claims. The provision represents the unpaid amount that it expects to incur / pay for which the obligating event has already arisen as on the reporting date.

26 GOVERNMENT GRANTS

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	8.65	9.70
Additions during the year	2.82	2.22
Amortised during the year	(2.64)	(3.27)
Balance as at the end of the year	8.83	8.65
Current	1.18	1.08
Non-Current	7.65	7.57

Government grants are towards the purchase of certain items of property, plant and equipment.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**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, 2024 and March 31, 2023 :

(a) Current tax asset / Income tax liabilities (net of provisions)

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	68.81	71.48
Less: Current tax payable for the year	(115.63)	(118.07)
Add: Taxes paid	122.94	115.40
Balance as at the end of the year	76.12	68.81

(b) Deferred tax assets / Deferred tax liabilities (net)

The breakup of Deferred tax asset is as follows:

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Asset - [A]		
Provision for loss allowance	28.88	24.67
Provisions made disallowed and allowed only on payment basis	17.55	8.18
Others (ROU, ICDS adjustments, etc.)	6.05	4.71
Deferred Tax Liability - [B]		
Differences between book and tax depreciation	(56.31)	(33.39)
Others (ROU, ICDS adjustments, etc.)	-	-
Deferred Tax Asset / (Deferred tax liabilities) (Net) - [A-B]	(3.83)	4.17

Movement in Deferred Tax Assets / Deferred tax liabilities (net)

(₹ Crores)

Particulars	Charge/ (Credit) to Statement of P&L	
	As at March 31, 2024	As at March 31, 2023
Deferred Tax Asset -		
Provision for loss allowance	(4.21)	3.70
Provisions made disallowed and allowed only on payment basis	(9.37)	(1.05)
Others (ROU, ICDS adjustments, etc.)	(1.33)	(5.35)
Deferred Tax Liability -		
Differences between book and tax depreciation	22.91	22.59
Others (ROU, ICDS adjustments, etc.)	-	-
Total	8.00	19.89

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Accounting profit before income tax	491.69	504.60
Income tax at India's statutory income tax rate of 25.168% (March 31, 2023: 25.168%)	123.75	127.00
Expenses not allowed for tax purpose	2.85	4.56
Additional allowances for tax purpose	(0.24)	(1.19)
Tax savings on account of long term capital gains tax paid at lower rate	-	(11.46)
Others	(2.16)	19.12
Income tax at effective tax rate	124.19	138.03

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

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Current tax		
Current tax on profit for the year	116.19	118.13
Adjustments for current tax of prior periods	-	-
Total current tax expense	116.19	118.13
ii) Deferred tax		
(Decrease)/Increase in deferred tax liabilities	22.91	22.59
Decrease/(Increase) in deferred tax assets	(14.91)	(2.70)
Total deferred tax expense/(benefit)	8.00	19.89
Income tax expense	124.19	138.02

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

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Current tax		
Remeasurement gain/(loss) on defined benefit plans	(0.56)	(0.06)
Total current tax expense	(0.56)	(0.06)
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	(0.56)	(0.06)

28 REVENUE FROM OPERATIONS

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Sale of products	5,895.55	5,010.87
Revenue from construction contracts	2,315.31	1,674.01
Sale of services	687.27	590.82
Other operating revenue		
- Provisions and liabilities no longer required	51.33	28.91
- Shared service recovery	5.56	2.22
- Scrap sales	30.27	31.30
- Others	13.59	15.00
Total revenue from operations	8,998.88	7,353.13

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**29 OTHER INCOME**

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest income		
Financial instruments measured at amortised cost:		
- Bank deposits	3.78	4.17
- Others	3.58	3.09
Other non-operating income		
Rental Income	0.50	0.47
Gain on investments measured at FVTPL	15.01	10.33
Amortisation of government grant	2.63	3.27
Grants related to income	2.74	-
Fair value gain on financial instruments designated as FVTPL	1.36	-
Others	11.70	8.50
Total other income	41.30	29.83

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

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cost of material consumed	2,976.71	2,976.96
Project cost (including bought outs)	2,034.67	1,449.06
AMC subcontracting and other service cost	402.58	352.35
Total cost of raw material and components consumed and project related cost	5,413.96	4,778.37
Purchase of stock-in-trade	1,509.24	1,135.04
Inventories at the end of the year		
Traded goods	275.43	389.45
Work-in-progress	93.08	89.01
Finished goods	295.03	293.74
	663.54	772.20
Inventories at the beginning of the year		
Traded goods	389.45	324.99
Work-in-progress	89.01	78.91
Finished goods	293.74	218.71
	772.20	622.61
(Increase) /decrease in inventories	108.64	(149.59)

31 EMPLOYEE BENEFITS EXPENSE

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries, wages and bonus	532.77	441.47
Contribution to provident and other funds	17.64	15.03
Gratuity expense (refer note 37)	4.74	4.23
Staff welfare expenses	41.39	35.62
Director Sitting Fees	0.64	0.71
Total employee benefits expense	597.18	497.06

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

32 FINANCE COSTS

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest and finance charges on financial liabilities carried at amortised cost		
(a) Interest on non convertible debenture	2.33	16.84
(b) Interest on other borrowings*	36.07	25.54
(c) Interest on lease liabilities	8.23	8.61
(d) Other interest expenses	4.37	0.78
Bank charges	4.97	6.41
Total finance costs	55.98	58.18

*Interest on other borrowings of ₹ 1.74 crores capitalised in capital work in progress.

33 DEPRECIATION AND AMORTISATION EXPENSE

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation on Property, plant and equipment (refer note 4)*	35.29	42.27
Depreciation on right of use assets (refer note 7)	19.82	22.75
Amortisation expenses on intangible assets (refer note 8A)	20.24	15.32
Depreciation on investment property (refer note 6)	*	*
Total depreciation and amortisation expense	75.35	80.34

*Note: Depreciation on property, plant and equipment is net off capitalisation towards research and development expenditure.

34 OTHER EXPENSE

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Stores and spares consumed	24.36	24.12
Power and fuel	18.13	25.36
Rent	73.64	55.48
Repairs and maintenance		
- Buildings	5.96	4.15
- Plant and machinery	10.59	8.36
- Others	33.77	25.89
Insurance	5.29	4.73
Rates and taxes	1.10	1.16
Advertising expenses	72.63	68.83
Sales and promotion expenses	74.27	43.84
Freight and forwarding charges	126.91	105.32
Legal and professional fees	83.84	67.78
Travelling and conveyance	59.02	45.48
Commission and sales incentives	41.12	26.78
Warranty cost	39.91	33.67
Printing and stationery	4.25	4.24

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Payment to auditors (refer details A below)	2.08	1.95
Corporate social responsibility expenses (refer details B below)	3.93	3.33
Donations	0.64	0.51
Loss on sale / discard of property, plant and equipment	2.11	6.91
Foreign exchange differences (net) (including fair value impact on financial instruments at fair value through profit or loss)	2.09	6.58
Bad debts / advances written off	37.28	
Less:- Allowance for doubtful debts	(34.78)	2.50
Allowances for doubtful debts and advances	51.51	46.53
Miscellaneous expenses	48.49	35.74
Total other expenses	788.14	649.77

Note :

The above expenses is net off grant received from Mr. Ashok M. Advani (promoter group) to boost research and development activities of the Company.

A. Payment to auditors

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
As auditor:		
Audit fee	1.11	0.99
Limited review	0.29	0.26
Tax Audit	0.10	0.09
In other capacity		
Other services*	0.50	0.58
Reimbursement of expenses	0.08	0.03
	2.08	1.95

*Note:- QIP expense of ₹ 2.06 crores adjusted in Security Premium.

B. Corporate social responsibility expenses

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(i) Gross amount required to be spent by the Company during the year	4.18	3.00
(ii) Amount spent during the year (includes ₹ 0.33 crores carried forward from previous year)	4.26	3.33
(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)	1.10	0.49
(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

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**35 EXCEPTIONAL ITEMS**

(₹ Crores)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Exceptional Income*	-	170.81
Exceptional Items (Net)	-	170.81

* Profit on sale of freehold land which was classified as asset held for sale in the previous year.

36 EARNING PER SHARES (EPS)

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

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit attributable to equity holders of the Company (₹ in Crores)	367.50	366.58
Weighted average number of Equity shares outstanding	19,94,40,635	19,26,27,776
Earning Per Share (₹) - Basic and Diluted in rupees (Face Value - ₹ 2 per share)	18.43	19.03

Note:

- Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Company has issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the year ended March 31, 2024. Accordingly, the earnings per share has been adjusted for previous year and presented in accordance with Ind AS 33 - Earnings Per Share.
- The Company raised capital of ₹1,000 crores through Qualified Institutions Placement ("QIP") of equity shares. The Executive management Committee of the Board of Directors of the Company, at its meeting held on September 22, 2023, approved the allotment of 1,29,87,012 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 770 per equity share (including a premium of ₹ 768 per equity share).

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 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 Company expects to contribute ₹ 6.55 crores to gratuity fund in FY 2024-25 (FY 2023-24 - ₹ 5.30 crores).

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**Change in present value of defined benefit obligation**

(₹ Crores)

Particulars	Gratuity		Additional Gratuity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation at the beginning of the year	47.51	44.82	0.47	0.47
Current service cost	4.62	4.14	0.02	0.02
Interest cost	3.35	2.86	0.04	0.03
Benefits paid	(3.48)	(4.56)	(0.01)	(0.02)
Acquisition adjustment	(0.63)	-	-	-
Remeasurements				
a. Due to change in demographic assumptions	0.01	-	0.00	-
b. Due to change in financial assumptions	0.54	(1.85)	0.01	(0.02)
c. Due to experience adjustments	1.70	2.10	(0.02)	(0.01)
Defined benefit obligation at the end of the year	53.62	47.51	0.51	0.47

(₹ Crores)

Particulars	Gratuity		Additional Gratuity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	44.67	44.47	-	-
Expected return on plan assets	3.29	2.93	-	-
Contribution	5.66	1.83	-	-
Benefits paid	(3.48)	(4.56)	-	-
Fair value of plan assets at the end	50.14	44.67	-	-

(₹ Crores)

Particulars	Gratuity		Additional Gratuity	
	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Components of defined benefit cost recognised in Profit or Loss				
Current service cost	4.62	4.25	0.02	0.02
Interest Cost	3.35	2.86	0.04	0.03
Investment income on plan assets	(3.29)	(2.93)	-	-
Defined benefit cost recognised in profit or loss	4.68	4.18	0.06	0.05
Components of defined benefit cost recognised in Other Comprehensive Income				
a. Due to change in demographic assumptions	0.01	-	0.00	-
b. Due to change in financial assumptions	0.54	(1.85)	0.01	(0.02)
c. Due to change in experience adjustments	1.70	2.10	(0.02)	(0.01)
Remeasurements recognised in other comprehensive income (OCI)	2.25	0.25	(0.01)	(0.03)

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Net liability / (assets) recognised in the balance sheet

(₹ Crores)

Particulars	Gratuity		Additional Gratuity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	53.62	47.51	0.51	0.47
Fair value of plan assets	50.14	44.67	-	-
Net liability / (assets)	3.48	2.84	0.51	0.47

The major categories of plan assets are as follows:

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	0.05	-
Insurance company products	48.92	42.49
Others	1.17	2.18
Total	50.14	44.67

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

Actuarial Assumptions	Gratuity		Additional Gratuity	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.15%	7.35%	7.15%	7.35%
Disability rate	5% of IALM 12-14	5% of IALM 12-14	5% of IALM 2012-14	5% of IALM 2012-14
Normal retirement age	65 Years for Directors and 60 Years for Others	65 Years for Directors and 60 Years for Others	65 Years for Directors and 60 Years for Others	65 Years for Directors and 60 Years for Others
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Salary escalation rate (Directors-Management-staff)	10%,7%,3%	10%,7%,3%	-	-
Attrition Rate	15%	14%	15%	14%

Risk analysis

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)**The present value of defined benefit obligation after change in assumptions are as under :**

Assumptions	Gratuity		Additional Gratuity	
	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Decrease in discount Rate (-/+ 0.5%)	53.52	47.30	0.52	0.49
Increase in discount Rate (-/+ 0.5%)	50.92	44.92	0.50	0.46
Decrease in salary Growth Rate (-/+ 0.5%)	50.90	44.91	-	-
Increase in salary Growth Rate (-/+ 0.5%)	53.52	47.30	-	-
Decrease in attrition Rate (-/+ 1%)	52.18	46.03	0.47	0.44
Increase in attrition Rate (-/+ 1%)	52.19	46.12	0.52	0.48
Decrease in Mortality Rate (-/+ 10%)	52.18	46.08	0.51	0.47
Increase in Mortality Rate (-/+ 10%)	52.19	46.08	0.51	0.47

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 2023-24.

The weighted average duration of the defined benefit plan obligation at the end of the reporting year 2023-24 is 5 years.

Maturity profile of defined benefit obligation

(₹ Crores)

Expected cash flows	Gratuity (Funded)	Additional Gratuity
1 year	10.90	0.09
2 to 5 years	28.14	0.29
6 to 10 years	21.71	0.22
More than 10 years	18.81	0.18
Total	79.56	0.78

b. Provident Fund

Eligible employees of the Company receive benefits from provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The actuary has provided a valuation and according thereto, there is no shortfall as at March 31, 2024. The Company's contribution to the Employee's Provident fund aggregates to ₹ 10.16 crores (March 31, 2023 : ₹ 9.23 crores).

The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment of the Board. There are numerous interpretative issues relating to the judgement and the matter remains sub judice. As a matter of caution, the Company has made for an estimated amount, provision on a prospective basis.

General Description of significant defined plans:**a. Gratuity Plan**

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

b. Additional Gratuity

Additional Gratuity is payable as per the specific rules of the Group i.e. ₹ 5,000 for staff and ₹ 10,000 for managers subject to qualifying service of 15 years.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

38 COMMITMENTS AND CONTINGENCIES

a. Contingent liabilities

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts	1.40	1.35
Sales tax matters	21.35	52.32
Excise duty matters	4.90	4.90
Service tax matters	30.39	121.63
Income tax matters	133.01	120.03
GST matters	12.46	1.78

b. Commitments

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

At March 31, 2024, Company had commitments (net of advances) of 78.37 crores (March 31, 2023: ₹ 118.12 crores)

c. Financial Guarantees provided

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Corporate Guarantee given on behalf of subsidiaries (to the extent utilised)	16.83	197.80

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, 2024 is ₹ 6.85 crores (March 31, 2023 : ₹ 5.81 crores)

39 DISCLOSURE FOR RELATED PARTY AND INTEREST IN JOINT VENTURES

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:-

Name of related party	Relationship
Blue Star Engineering and Electronics Limited	Subsidiary companies
Blue Star Climatech Limited	
Blue Star Qatar- WLL*	
Blue Star System and Solutions LLC	
BSL AC&R (SINGAPORE) PTE. LTD.	
Blue Star International FZCO	
Blue Star North America INC	
Blue Star Japan LLC	
Blue Star Europe BV	
Blue Star Uganda	

* 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Name of related party	Relationship
Blue Star M & E Engineering (Sdn) Bhd	Joint venture
Blue Star Oman Electro-Mechanical Co. LLC**	
**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.	
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
Mr. Shailesh Haribhakti	Independent director
Mr. Rajiv Lulla	Non-executive director
Mr. Dinesh Vaswani	Non-executive director
Mr. Sam Balsara	Independent director
Mr. Anil Harish	Independent director
Mr. Arvind K Singhal	Independent director
Ms. Sunaina Murthy	Non-executive director
Ms. Anita Ramchandran	Independent director
Mr. Murlidhar Gangadharan (Since January 30, 2024)	Independent director
Mr. Vipin Sondhi (Since January 30, 2024)	Independent director
Close member of key management personnel	
Mr. Suneel M. Advani	Father of Vir S. Advani
Enterprises in which a Director is/was a member/director/trustee during the year with whom company had transactions and/or balances	
Moms Outdoor Media Solutions Private Limited	Entities over which Key Managerial Personnel or their close family members have significant influence
Madison Communications Private Limited	
IBS Fintech India Private Limited	
Platinum Communications Private Limited	
Cerebrus Consultants Private Limited	
M/s SMA Associates	
Blue Star Helpline Trust	
Blue Star Foundation	
Blue Star Provident Fund Trust	
Blue Star Super Annuation Trust	
Blue Star Gratuity Trust	

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

Transactions during the year with Related Parties are as under:

(₹ Crores)

Name of Related party	For the Year ended March 31, 2024	As at March 31, 2024	For the Year ended March 31, 2023	As at March 31, 2023
	Transactions	Balance O/S DR/(CR)	Transactions	Balance O/S DR/(CR)
Blue Star M & E Engineering (Sdn) Bhd		-		-
Reimbursement of expenses	0.25		-	
Blue Star Qatar WLL		1.69		4.51
Sales and Services	4.75		4.42	
Guarantee commission	-		0.09	
Reimbursement of expenses	0.13		-	
Blue Star Engineering and Electronics Ltd.		(0.11)		0.56
Reimbursement of expenses charged	0.09		0.24	
Purchase	*		0.49	
Sales of goods	0.11		0.10	
Shared service recovery	1.32		1.32	
Rent paid	3.43		3.27	
Finance cost	8.11		8.40	
Inter corporate deposit taken from subsidiary	85.00		120.00	
Inter corporate deposit repaid to subsidiary	120.00	85.00	160.00	120.00
Project cost	1.13		6.05	
Deposit receivable	-	2.56	-	
Blue Star International FZCO		73.87		47.81
Sale of goods	207.05		230.04	
Guarantee commission	0.01		*	
Blue Star System and Solution LLC		1.93		3.35
Sale of goods	4.42		4.73	
BSL AC&R (SINGAPORE) PTE. LTD.		-		-
Sale of goods	-		0.11	
Blue Star Climatech Ltd.		(134.66)		54.55
Investment in equity shares	418.40		70.00	
Recovery of expenses	0.03		0.90	
Inter corporate deposit repaid by subsidiary	35.00	25.00	5.00	35.00
Inter corporate deposit given to subsidiary	25.00		35.00	
Corporate Guarantee charges	-		0.19	
Interest on ICD	1.91		1.93	
Sale of goods	0.05		1.54	
Project revenue	7.47		21.94	
Purchase of Goods	691.36		131.28	
Reimbursement of expenses	1.64		-	
Sale of Fixed asset	0.55		-	
Shared service recovery	1.20		-	
Transfer of Employee Benefit Liability and other employee assets	1.27		-	
Blue Star North America INC		17.78		-
Investment in equity shares	4.14		8.26	
Sale of materials and services	16.53		-	

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Name of Related party	For the Year ended March 31, 2024	As at March 31, 2024	For the Year ended March 31, 2023	As at March 31, 2023
	Transactions	Balance O/S DR/(CR)	Transactions	Balance O/S DR/(CR)
Shared service recovery	1.25		-	
Reimbursement of expenses	0.04		-	
Corporate Guarantee charges	*		*	
Blue Star Europe		1.25		-
Investment in equity shares	4.52		4.41	
Shared service recovery	1.25		-	
Blue Star Innovation Japan LLC		0.74		-
Investment in equity shares	10.00		-	
Sale of materials and services	0.08		-	
Shared service recovery	0.66		-	
Blue Star Oman Electromechanical Co. LLC #	-	4.46		4.46
Blue Star Helpline trust		-		1.19
Reimbursement of expenses	-		-	
Blue Star Provident Fund Trust		(2.45)		(2.09)
Contribution to Provident fund	27.57		23.19	
Blue Star Super Annuation Trust		(0.12)		(1.13)
Contribution to Super annuation fund	1.45		1.49	
Blue Star Gratuity Trust		(3.58)		(1.41)
Contribution to Gratuity fund	5.66		1.95	
Blue Star Foundation		-		-
CSR expenses	1.10		0.49	
Reimbursement of expenses	0.37		-	
M/s SMA Associates		-		-
Fees for Professional Services	0.30		0.25	
Enterprises in which Director is a member/director				
Sale of goods and services				
Madison Communications Private Limited	0.52	0.01	0.11	-
Platinum Communications Private Limited	-	-	0.02	-
Services Received				
Moms Outdoor Media Solutions Private Limited	5.57	(1.18)	2.93	(0.06)
Madison Communications Private Limited	30.09	(0.84)	39.99	(0.85)
IBS Fintech India Private Limited	0.15	(0.02)	0.13	-
Cerebrus Consultants Private Limited	0.06	(0.02)	0.26	(0.03)
Compensation of key managerial personnel		(15.81)		(11.17)
Short term employee benefits				
-Remuneration Paid / Payable (including commission)	25.42		19.17	
-Commission to Non-Executive and Independent Directors	2.00		2.03	
-Sitting fees to Non Executive and Independent Directors	0.64		0.71	
Post Employment Benefits	0.98		0.89	
Total compensation paid to key management personnel	29.04		22.80	

* Indicates amount less than ₹ 1 lakh

fully provided for Allowance for doubtful loan

Note: As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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	For the Year ended March 31, 2024	As at March 31, 2024	For the Year ended March 31, 2023	As at March 31, 2023
	Transactions (Utilised till date)	Balance O/S (Gross Guarantee given)	Transactions (Utilised till date)	Balance O/S (Gross Guarantee given)
Blue Star Qatar WLL	-	-	0.90	249.80
Blue Star Engineering and Electronics Ltd.	-	-	-	-
Blue Star International FZCO	16.63	62.55	1.90	84.00
Blue Star System and Solutions LLC	-	-	1.43	8.21
BSL AC&R Singapore	-	-	-	8.21
Blue Star Climatech Ltd.	-	-	193.57	305.00
Blue Star North America INC	0.20	2.08	-	2.05

The above transactions are in the ordinary course of business and are at arm's length.

40 SEGMENT INFORMATION

As per Ind AS 108, segment report is shown only in the consolidated financial statements as financial report contains both the consolidated financial statements of a parent as well as the parent's standalone financial statement.

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 recognised in the Profit or Loss.

Commodity risk is mitigated by entering into annual rate contracts with major suppliers which are factored in pricing decisions. This approach provides sufficient mitigation against volatility in commodity rates.

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

Foreign Currency	As at March 31, 2024		As at March 31, 2023	
	Amount in Foreign Currency (in Lakhs)	₹ in Crores	Amount in Foreign Currency (in Lakhs)	₹ in Crores
Particulars of Derivatives				
Forward cover to Purchase :				
- USD (including commitments)	94.48	78.80	86.02	70.68
- CNY/RMB (including commitments)	444.22	51.01	670.18	80.07
Forward cover to Sell :				
- USD	10.00	8.34	5.00	4.11

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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

Foreign Currency	As at March 31, 2024		As at March 31, 2023	
	Amount in Foreign Currency (in Lakhs)	₹ in Crores	Amount in Foreign Currency (in Lakhs)	₹ in Crores
Bank Balances				
EUR	#	-	#	*
USD	6.42	5.35	2.89	2.37
AED	0.20	0.04	1.69	0.38
CNY/RMB	0.23	0.03	1.02	0.12
Receivables				
AED	33.74	7.66	16.87	3.77
EUR	30.54	27.45	0.04	0.04
MYR	1.59	0.28	1.59	0.30
USD	66.76	55.68	65.76	54.04
SGD	-	-	0.59	0.36
Payables				
AED	0.45	0.10	0.03	0.01
CNY/RMB	83.76	9.62	265.28	31.69
EUR	16.90	15.19	5.68	5.08
GBP	0.09	0.09	0.07	0.07
JPY	867.17	4.78	191.67	1.18
OMR	#	0.01	-	-
USD	63.27	52.77	61.65	50.66

Indicates amount less than EUR and OMR 1 Thousand

* Indicates amount less than ₹ 1 lakh

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, 2024					As at March 31, 2023				
	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)	189.99	-	767.16	957.15	957.15	119.74	-	330.09	449.83	449.83
Other financial assets (refer note 11)	1.52	-	56.52	58.04	58.04	0.05	-	37.33	37.38	37.38
Trade receivables (refer note 13)	-	-	1,799.67	1,799.67	1,799.67	-	-	1,328.14	1,328.14	1,328.14
Cash and cash equivalents (refer note 14)	-	-	258.61	258.61	258.61	-	-	171.28	171.28	171.28
Other bank balances (refer note 15)	-	-	3.70	3.70	3.70	-	-	3.94	3.94	3.94
Loans (refer note 10)	-	-	32.60	32.60	32.60	-	-	40.83	40.83	40.83
	191.51	-	2,918.26	3,109.77	3,109.77	119.79	-	1,911.61	2,031.40	2,031.40

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Particulars	As at March 31, 2024					As at March 31, 2023				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial liabilities										
Borrowings (refer note 20)	-	-	235.48	235.48	235.48	-	-	477.31	477.31	477.31
Trade payables (refer note 21)	-	-	2,399.50	2,399.50	2,399.50	-	-	2255.96	2255.96	2255.96
Other Financial Liabilities (refer note 23)	-	-	35.23	35.23	35.23	-	-	26.89	26.89	26.89
Lease liabilities (refer note 22)	-	-	76.49	76.49	76.49	-	-	86.99	86.99	86.99
	-	-	2,746.70	2,746.70	2,746.70	-	-	2,847.15	2,847.15	2,847.15

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.

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, 2024:

(₹ Crores)

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment Property (refer note 6)	March 31, 2024	*	-	-	*
Assets measured as fair value :					
Investment in mutual funds (refer note 9)	March 31, 2024	189.99	-	189.99	-
Derivatives not designated as hedges (refer note 11)					
- Foreign exchange forward contracts	March 31, 2024	0.16	-	0.16	-
- Commodity forward contracts	March 31, 2024	1.36	-	1.36	-

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, 2023 :

(₹ Crores)

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment Property (refer note 6)	March 31, 2023	*	-	-	*
Assets measured as fair value :					
Investment in mutual funds (refer note 9)	March 31, 2023	119.74	-	119.74	-
Derivatives not designated as hedges (refer note 11)					
- Foreign exchange forward contracts	March 31, 2023	0.05	-	0.05	-

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 used to determine fair value :

1. **Level - 2 :** Mutual Fund - Quoted price in the active market

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

2. **Level - 3 :** Investment Property - Based on valuation report of independent valuer.

*Indicates amount less than 1 lakh

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

43 FINANCIAL RISK MANAGEMENT OBJECTIVE & POLICIES

The Company's principal financial liabilities comprise short term borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, currency risk, interest rate, credit risk and liquidity risk.

Market risk

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

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 utilising foreign exchange forward contracts.

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

Particulars	As at March 31, 2024				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (Foreign Currency)	Net exposure (₹ Crores)
Foreign Currency (in crores)					
USD	0.06	0.67	0.63	0.10	8.27
CNY/RMB	0.00	-	0.84	(0.84)	(9.59)
AED	0.00	0.34	0.00	0.34	7.61
EUR	-	0.31	0.17	0.14	12.26
MYR	-	0.02	-	0.02	0.28
JPY	-	-	8.67	(8.67)	(4.78)
QAR	-	-	0.01	(0.01)	0.18
GBP	-	-	0.00	(0.00)	(0.09)

Particulars	As at March 31, 2023				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (Foreign Currency)	Net exposure (₹ Crores)
Foreign Currency (in crores)					
USD	0.03	0.66	0.62	0.07	5.75
CNY/RMB	0.01	-	2.65	(2.64)	(31.57)
AED	0.02	0.17	0.00	0.19	4.14
EUR	-	0.00	0.06	(0.06)	(5.04)
MYR	-	0.02	-	0.02	0.30
JPY	-	-	1.92	(1.92)	(1.18)
CHF	-	-	-	-	-
QAR	-	-	-	-	-
GBP	-	-	0.00	(0.00)	(0.07)
SGD	-	0.01	-	0.01	0.36

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD	+5%	0.41	0.29	0.31	0.22
	-5%	(0.41)	(0.29)	(0.31)	(0.22)
CNY/ RMB	+5%	(0.48)	(1.58)	(0.36)	(1.18)
	-5%	0.48	1.58	0.36	1.18
AED	+5%	0.38	0.21	0.28	0.16
	-5%	(0.38)	(0.21)	(0.28)	(0.16)
EUR	+5%	0.61	(0.25)	0.46	(0.19)
	-5%	(0.61)	0.25	(0.46)	0.19
MYR	+5%	0.01	0.01	0.01	0.01
	-5%	(0.01)	(0.01)	(0.01)	(0.01)
SGD	+5%	0.00	0.02	0.00	0.01
	-5%	0.00	(0.02)	0.00	(0.01)
JPY	+5%	(0.24)	(0.06)	(0.18)	(0.04)
	-5%	0.24	0.06	0.18	0.04

Commodity price risk

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

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

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

Particulars	As at March 31, 2024					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)
Commodity						
Copper	1,188.81	98.55	250.00	17.28	938.81	81.27
Aluminium	685.78	20.89	-	-	685.78	20.89

Particulars	As at March 31, 2023					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)
Commodity						
Copper	752.56	62.02	-	-	752.56	62.02
Aluminium	470.4	15.72	-	-	470.39	15.72

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (Contd.)

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, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Commodity					
Copper	-5%	(4.06)	(3.10)	(3.02)	(2.31)
	+5%	4.06	3.10	3.02	2.31
Aluminium	-5%	(1.04)	(0.79)	(0.78)	(0.58)
	+5%	1.04	0.79	0.78	0.58

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, 2024	827.30	935.56	112.40	1,875.26
Trade Receivables as of March 31, 2023	594.14	674.37	116.30	1,384.81

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, 2024 (Contd.)

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

(₹ Crores)

Particulars	As at March 31, 2024		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	235.48	-	235.48
Trade Payables	2,399.50	-	2,399.50
Lease Liabilities	28.28	71.33	99.61
Other financial liabilities	35.23	-	35.23
Total	2,698.49	71.33	2,769.82

(₹ Crores)

Particulars	As at March 31, 2023		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	477.31	-	477.31
Trade Payables	2,255.96	-	2,255.96
Lease Liabilities	25.22	89.05	114.27
Other financial liabilities	15.25	-	15.25
Interest on borrowings	13.97	-	13.97
Total	2,787.71	89.05	2,876.76

44 CAPITAL MANAGEMENT

The Company's objective for capital management is to maximise 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, 2024	As at March 31, 2023
Borrowings	235.48	477.31
Less: Cash and cash equivalents	(258.61)	(171.28)
Net Debt	(23.13)	306.03
Equity	2,511.49	1,278.43
Gearing Ratio (Net Debt / Equity) x 100	NA*	23.94%

* This ratio is not relevant for FY24 as the Cash and cash equivalents exceed the Loans and Borrowings.

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

45 FINANCIAL RATIOS

(₹ Crores)

Particulars	As at March 31, 2024	As at March 31, 2023	Variance	Reason
Current ratio	1.23	1.07	14.95%	Below threshold of 25%
Debt-Equity ratio	0.09	0.37	(75.89%)	Variance is on account of QIP issue of ₹ 1000 crores in FY24 and also due to reduction in debt and increase in profit.
Debt Service Coverage Ratio (DSCR)	1.46	1.73	(15.61%)	Below threshold of 25%
Return on Equity Ratio (ROE)	19.39%	32.06%	(39.52%)	Variance is on account of increase in shareholder's equity and net impact of QIP issue and increase in profit in FY24.
Inventory turnover (No.of days)	66.27	77.26	(14.23%)	Below threshold of 25%
Trade receivables turnover (No. of days)	63.61	58.25	9.20%	Below threshold of 25%
Trade payables turnover (No. of days)	108.95	116.64	(6.59%)	Below threshold of 25%
Net capital turnover ratio (In times)	10.73	32.01	(66.48%)	Due to increase in Working capital in FY24, there is reduction in net capital turnover ratio.
Net profit ratio	4.07%	4.97%	(18.11%)	Below threshold of 25%
Return on Capital employed (ROCE)	19.32%	21.47%	(10.01%)	Below threshold of 25%
Return on investment				
Investment in Mutual fund	7.03%	5.84%	20.38%	Below threshold of 25%
Investment in Fixed deposit	6.22%	5.28%	17.80%	Below threshold of 25%

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) = Net sales / Working capital

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

Return on capital employed (%) = (Profit before tax + Finance charges) / Capital employed X 100

Return on investment (%) = Income from investment / Average investment for the year X 100

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

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	Note 30	Note 31	Note 34	Note 32	Total
Salary and Wages	384.64	532.77	-	-	917.41
	(298.89)	(441.47)	-	-	(740.36)
Staff welfare	1.33	41.39	-	-	42.72
	(1.25)	(35.62)	-	-	(36.87)
Contribution to provident and other funds	0.10	17.64	-	-	17.74
	-	(15.03)	-	-	(15.03)
Rent	1.14	-	73.64	-	74.78
	(0.95)	-	(55.48)	-	(56.43)
Repairs and maintenance	0.18	-	50.32	-	50.50
	(2.83)	-	(38.40)	-	(41.23)
Rates and taxes	5.74	-	1.10	-	6.84
	(2.66)	-	(1.16)	-	(3.82)
Power and fuel	6.32	-	18.13	-	24.45
	(2.30)	-	(25.36)	-	(27.66)
Insurance	5.97	-	5.29	-	11.26
	(5.26)	-	(4.73)	-	(9.99)
Travelling and Conveyance	2.81	-	59.02	-	61.83
	(2.36)	-	(45.48)	-	(47.84)
Printing and Stationery	0.91	-	4.25	-	5.16
	(0.76)	-	(4.24)	-	(5.00)
Freight and Forwarding Charges	2.92	-	126.91	-	129.83
	(1.63)	-	(105.32)	-	(106.95)
Legal and Professional fees	26.74	-	83.84	-	110.58
	(20.91)	-	(67.78)	-	(88.69)
Foreign exchange differences	0.04	-	2.09	-	2.13
	-	-	(6.58)	-	(6.58)
Commission and sales incentives	-	-	41.12	-	41.12
	(0.01)	-	(26.78)	-	(26.79)
Warranty Cost	0.06	-	39.91	-	39.97
	(0.03)	-	(33.67)	-	(33.70)
Miscellaneous expenses	1.87	-	48.49	-	50.36
	(0.50)	-	(35.74)	-	(36.24)
Bank charges	3.17	-	-	4.97	8.14
	(2.48)	-	-	(6.44)	(8.92)

Figures in brackets are for previous year

47

(a) Details of Revenue Expenditure Directly related to Research & Development:

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee benefits expense	13.03	6.12
Cost of raw material and components consumed	3.84	5.93
Legal & professional fees	1.72	2.16
Depreciation	11.37	5.68
Others	17.24	10.25
Total	47.20	30.14

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(b) Details of Capital Expenditure Directly related to Research & Development :

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Tangible assets		
Buildings	7.48	2.91
Plant & equipment	39.28	7.79
Furniture & fixtures	0.06	0.03
Office equipments	0.97	0.35
Vehicles	1.43	0.85
Computers	0.54	0.46
Intangible Assets (including intangible assets under development)		
Technical knowhow	43.07	31.31
Software	1.02	0.42
Total	93.85	44.12

Note :

The above expenses is net off grant received from Mr. Ashok M. Advani (promoter group) to boost research and development activities of the Company.

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, 2024 by offerings and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors:

(₹ Crores)

Timing of transfer of goods and services	For the Year ended March 31, 2024			For the Year ended March 31, 2023		
	At a point in time	Over time	Total	At a point in time	Over time	Total
Electro -Mechanical Projects and Commercial Air Conditioning Systems	1,744.98	2,807.37	4,552.35	1,569.03	2,151.16	3,720.19
Unitary Products	4,397.99	48.54	4,446.53	3,576.54	56.40	3,632.94
Professional Electronics and Industrial Systems	-	-	-	-	-	-
Total	6,142.97	2,855.91	8,998.88	5,145.57	2,207.56	7,353.13

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

(₹ Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products at transaction price & construction and service contracts at contracted price	9,196.28	7,475.21
Reductions towards variable consideration components*	(197.40)	(122.08)
Revenue recognised in profit & loss	8,998.88	7,353.13

* 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, 2023 ₹ Nil crores).

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

4. The aggregate value of Order Book as at March 31, 2024, is ₹ 5,308 crore (March 31, 2023 ₹ 4,905.00 Crore). Out of this, the Company expects to recognize revenue of around 59% 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, 2024	For the year ended March 31, 2023
Opening balance - Contract assets (net of impairment)	556.02	434.53
Opening balance - Contract liabilities*	(135.20)	(117.76)
Net contract assets	420.82	316.77
Add: Revenue recognised during the year	2,861.47	2,207.56
Less: Progress billing during the year	(2,779.86)	(2,103.51)
Closing Balance	502.43	420.82
Closing balance contract assets (net of impairment)	684.47	556.02
Closing balance contract liabilities including income received in advance	(182.04)	(135.20)
*The Company has recognised revenue out of opening contract liabilities	117.87	117.76

49 ISSUE OF SHARES (QUALIFIED INSTITUTIONAL PLACEMENT)

The Company has issued 1,29,87,012 equity shares of face value of ₹ 2 each through Qualified Institutional Placement, (QIP) on September 22, 2023 at an issue price of ₹ 770 per equity share (including premium of ₹ 768 per equity share). Total amount raised through QIP amounts to ₹ 1,000 crores.

Following are the details of utilisation of proceeds of ₹ 981.78 crores post meeting issue expenses of ₹ 18.22 excluding GST and net of TDS:

(₹ Crores)

Agreed purpose	Proposed Utilisation	Utilisation upto March 31, 2024	Unutilised amount as on March 31, 2024
Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by Blue Star Limited	565.56	565.56	-
Investment into subsidiary, Blue Star Climatech Limited, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by Blue Star Climatech Limited	169.44	169.44	-
Investment into subsidiary, Blue Star Climatech Limited, for financing the cost towards the expansion of Sri City Facility	125.00	95.56	29.44
General corporate purpose	121.78	121.70	0.08
Total	981.78	952.26	29.52

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

(₹ Crores)

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Transaction for the year ended March 31, 2024	Balance outstanding as at March 31, 2024	Transaction for the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Relation with struck off Company
Enviro Clinic Lab Private Limited	U41000DL2014PTC273772	Purchase	-	(0.08)	-	(0.08)	Vendor
Cooltech Systems Private Limited	U74140DL2014PTC266635	Purchase	-	(0.07)	-	(0.07)	Vendor
New Tech Infra Engineers	U45201DL2012PTC230791	Purchase	-	(0.06)	-	(0.06)	Vendor

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

(₹ Crores)

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Transaction for the year ended March 31, 2024	Balance outstanding as at March 31, 2024	Transaction for the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Relation with struck off Company
Ask Solar Private Limited	U40300TN2012PTC088834	Purchase	-	(0.04)	-	(0.04)	Vendor
Vrv Engineers Private Limited	U50101TN2006PTC061058	Purchase	-	(0.01)	-	(0.01)	Vendor
Fortune Metal Facades	U27109PN2010PTC136584	Purchase	-	(0.01)	-	(0.01)	Vendor
Saqib Tech India Private Limited	U22212DL2012PTC230515	Purchase	-	*	-	*	Vendor
Scanstar Inspection Technology	U74999TN2011PTC080315	Purchase	-	*	-	*	Vendor
Skyline Distributors (P)	U26931DL1991PTC045481	Purchase	-	*	-	*	Vendor
Pioneer Techno Engineering	U45303OR2012PTC016137	Purchase	-	*	-	*	Vendor
24X7 Swift Services Private Limited	U74120UP2015PTC072956	Purchase	-	*	-	*	Vendor
Competent Engineers	U45203DL1981PTC012338	Purchase	-	*	-	*	Vendor
United Agro Care India Private Limited	U01111PY2007PTC002031	Purchase	-	*	-	*	Vendor
Jans Ayra Developers Private Limited	U45400HR2014PTC051982	Purchase	-	*	-	*	Vendor
Vsm Consulting Services	AAA-2181	Purchase	-	*	-	*	Vendor
Acme D Ace Marketing Solution	U93000DL2013PTC252498	Purchase	-	*	-	*	Vendor
Gourmet King LLP	AAQ-5266	Purchase	-	*	-	*	Vendor
Adam Exports Private Limited	U17299MH2015PTC263547	Sales	0.02	*	0.02	*	Customer
Ilona Hospitalities Private Limited	U55209KA2017PTC104385	Sales	*	*	-	*	Customer
Kc Exim Private Limited	U24231PB1993PTC013998	Sales	*	*	-	*	Customer
Narayana Multispeciality	U85110MH2011PTC220765	Sales	(0.01)	*	0.05	0.04	Customer
Saim Air Private Limited	U74900UP2014PTC063764	Sales	-	*	*	*	Customer
Saturn Fitness Opc Private Limited	U74999MH2017OPC302017	Sales	-	*	-	0.01	Customer
Shamk Mercantile Private Limited	U52331OR2015PTC019261	Sales	0.01	*	0.02	*	Customer
Vbr Pacific Private Limited	U51909TN2019PTC130620	Sales	*	*	*	*	Customer
Micro Flow Contamination	U90001TN2015PTC101441	Sales	0.16	*	*	*	Customer

* Indicates amount less than ₹ 1 lakh

Notes to the Standalone Financial Statements
for the year ended March 31, 2024 (Contd.)

51 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.

52 PREVIOUS YEAR COMPARATIVES

Figures for the previous year have been regrouped/reclassified to confirm to the figures of the current year.

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 02, 2024

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 Systems and Solutions LLC	BSL AC&R (Singapore) 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	22.87	22.71	22.71	83.41
5	Share capital issued and paid up.	5,29,25,052 Shares of ₹ 2/- each fully paid up	51,50,00,000 shares of ₹ 10/- each fully paid up	100 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)	257.14	13.63	49.63	56.56	(28.51)	(0.33)
7	Total assets	460.79	819.04	120.69	173.11	16.49	23.95
8	Total liabilities	193.07	290.41	70.38	104.39	44.32	1.02
9	Investments other than investments in subsidiary	30.02	28.91	-	-	-	-
10	Turnover (total income)	396.03	722.54	121.34	354.45	30.75	4.10
11	Profit/(loss) before taxation	62.73	27.64	(11.91)	14.58	(5.06)	0.15
12	Provision for taxation	16.38	4.92	0.87	-	-	-
13	Profit/(loss) after taxation	46.35	(6.87)	(12.78)	14.58	(5.06)	0.15
14	Other comprehensive income/(loss)	(0.07)	(0.07)	-	-	-	-
15	Total comprehensive income/(loss)	46.28	22.65	(12.78)	14.58	(5.06)	0.15
16	Proposed dividend	-	-	-	-	-	-
17	% of Shareholding	100%	100%	49%	100%	100%#	100%**

*Closing exchange rate as on March 31, 2024 has been considered

Blue Star Systems and Solutions 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.

(₹ in crores)

Sr No.	Particulars	Name of the subsidiaries			
		Blue Star North America INC	Blue Star Europe BV	Blue Star 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	January – December	April - March	April - March
3	Reporting currency	USD	EUR	JPY	-
4	Exchange rate as on the last date of the relevant financial year*	83.41	89.88	0.55	-
5	Share capital issued and paid up.	15,000 Shares of USD 100/- each fully paid up	1,00,000 shares of EUR 10/- each fully paid up	-	-
6	Reserves & surplus (other equity)	(8.63)	(10.13)	(2.82)	-
7	Total assets	26.03	4.43	8.78	-
8	Total liabilities	22.15	5.57	1.70	-
9	Investments other than investments in subsidiary	-	-	-	-
10	Turnover (total income)	19.45	-	0.01	-
11	Profit/(loss) before taxation	(8.28)	(10.12)	(2.91)	-
12	Provision for taxation	2.77	-	0.01	-
13	Profit/(loss) after taxation	(5.51)	(10.12)	(2.92)	-
14	Other comprehensive income/ (loss)	-	-	-	-
15	Total comprehensive income/ (loss)	(5.51)	(10.12)	(2.92)	-
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, 2023
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, 2024	255,000 shares of OMR 1 each	367,500 shares of RM 1 each
	Amount of investment in joint venture/associate	4.34	3.98
	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	-	18.22
6	Profit/(loss) for the year		
	i. Considered in consolidation	-	0.40
	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	-	0.40
	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
B. Thiagarajan
Nikhil Sohoni
Rajesh Parte

Chairman and Managing Director (DIN: 01571278)
Managing Director (DIN: 01790498)
Group Chief Financial Officer
Company Secretary

Mumbai: May 02, 2024

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Rajesh Parte
Email: secretarialdesk@bluestarindia.com
Tel: +91 22 6654 4000

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt Ltd
C-101, 247 Park, L B S Marg
Vikhroli (West), Mumbai 400 083
Tel: +91 22 4918 6000
Fax: +91 22 4918 6060
Website: www.linkintime.co.in
Email: rnt.helpdesk@linkintime.co.in

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Asian Building, Ground floor 17,
R Kamani Marg,
Ballard Estate, Mumbai 400 001
Tel: +91 22 4080 7000
Fax: +91 22 6631 1776
Email: itsl@idbitrustee.com; response@idbitrustee.com

DEPOSITORIES

National Securities Depository Limited
Trade World, A-Wing, 4th Floor
Kamala Mills Compound, Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Tel: +91 22 2499 4200

Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th floor
NM Joshi Marg, Lower Parel
Mumbai 400 013
Tel: +91 22 2305 8640/+91 22 2305 8624

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, 2024, the Company has 72,949 registered shareholders. The Promoters hold 36.49% of the Company's shares. 17.89% of the Company's shares are held by 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



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