

June 25, 2020

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

Dear Sir/ Madam,

**Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') read with SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**

In continuation to our letter dated March 25, 2020 and pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 regarding advisory on disclosure of material impact of COVID-19 pandemic on listed entities, the required information is annexed herewith.

The above information is also available on the Company's website i.e. [www.bluestarindia.com](http://www.bluestarindia.com)

Kindly take the same on record.

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

  
**Vijay Devadiga**  
Company Secretary



**Encl: a/a**

## **ANNEXURE**

### **1. Impact of the COVID-19 pandemic on the business, schedule if any of restarting operation and steps taken to ensure smooth functioning of operations**

As the first signs of the pandemic emerged in India, from the second week of March, primary as well as secondary sales specifically for room air conditioners slowed down. As the virus began to spread and a nationwide lockdown was enforced, execution of orders and consequently revenue generation from all other businesses also came to a halt in the second fortnight of March. The spread of the pandemic and continuation of the stringent nationwide lockdown in India in the months of April and May has taken place during the peak selling season for the Unitary Products segment of Company's business.

The Company focused on ensuring the health, safety and well-being of its employees and their families during the lockdown. Most backend processes could function seamlessly with employees working from home. Investments made earlier in digitization of critical processes and the IT infrastructure support ensured that these processes could function with minimal disruption. Despite challenges, during the lockdown, the Company continued to serve the needs of essential services customers such as healthcare, pharma, banking and financial institutions.

Being a leading player in the industry, the Company also actively partnered with industry bodies such as American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), Indian Society of Heating, Refrigerating and Air Conditioning Engineers (ISHRAE) and Refrigeration and Air-Conditioning Manufacturers Association of India (RAMA) to set up a technical task force to study the impact of air conditioning on COVID-19. The key finding of the task force is that Air conditioning systems are safe and in fact beneficial to use for both residential and commercial applications. Air conditioners control both temperature and humidity in the conditioned space, which increases human resistance to infections which is highly beneficial in the current pandemic scenario. With the announcement of unlock by the various states, the Company has re-started its business operations in a graded manner.

### **2. Ability to maintain operations including the factories/units/office spaces functioning and closed down**

Overall, the Company has ensured business continuity within the permissible norms and regulations. SOPs have been prepared to ensure safe resumption of operations across the factories, establishments and project sites. The Company's Wada factory was operational even during the lock-down period to cater to exports and to customers in the essential services segment such as healthcare. The other factories of the Company have re-opened post lock down and are operational to the extent required to fulfil orders. The Company's offices and project sites at various locations are operational in accordance with the guidelines issued by the respective State

Governments. The Company has implemented safety and hygiene programmes like hand and workplace sanitisation, temperature monitoring, wearing of face masks, social distancing, use of Arogya Setu app and employee awareness initiatives, based on the guidelines issued by the Government authorities from time to time.

**3. Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations**

As normalcy is gradually being restored, the Company is focused on commencement of order execution and revenue generation across all segments with liquidity management as the key priority. The Company has taken steps to restart operations as explained in the comment against srl no.2 above.

**4. Estimation of the future impact of COVID-19 on its operations**

Since the pandemic has hit operations in the Company's peak selling season, it has impacted operations in the first quarter of the financial year 2020-21. However, it is too early to provide any guidance on the full financial impact arising out of the pandemic on the operations of the Company and the same would be assessed as the normalcy gradually gets restored.

**5. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control**

The Company has taken necessary steps to provide adequate liquidity support to all its businesses as they recover from the current disruption. Accordingly, fund raising plans for the short, medium and long term are being strategized to ensure adequate availability of capital and liquidity across all durations. In this direction, the Company has successfully completed private placement of Non-Convertible Debentures of Rs 350 crores. In addition, the Company has been able to collect, albeit at a slow pace, dues from its customers and therefore does not foresee any concern in servicing of its debts. As in the past, the Company will endeavor to sustain this phase in a prudent, balanced and agile manner and emerge stronger once the crisis gets over. The Company has also initiated several cost cutting measures. The Company has put in place robust internal control measures through deployment of information technology which has protected the seamless functioning during the lockdown. None of the assets of the Company have been significantly impacted and the Company does not foresee any impairment to the carrying values of its asset due to the pandemic.

**6. Impact of COVID-19 on supply chain**

The Company is in the process of renegotiating the prices of input raw materials and components and also credit terms with its vendors. With beginning of unlock, the manufacturing capacities are being suitably calibrated based on the inventory levels at the warehouses and channel partners. The materials lying at various ports are being gradually cleared.

**7. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**

The Company is following a policy of transparent communication to deepen relationships with all the stakeholders. Proactively, it has kept all key stakeholders engaged even during the lockdown period with regular interactions, technical knowledge sharing webinars and sharing best practices on safe re-opening of establishments. The Company is confident about fulfilling its contractual obligations and does not foresee any significant impact on the business due to non-fulfilment of the obligations by any other party. The Company has informed its customers about the potential delays if any, in completion of its contractual obligations on account of lockdown in order to ring fence the risks of liquidated damages under the contracts.