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, +91 22 6654 4000

INFORMATION AS REQUIRED UNDER THE SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 ("SBEB REGULATIONS")

Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Relevant details are provided in note 51 - Notes to Accounts of the Standalone financial statement and note 52 - Notes to Accounts of the Consolidated financial statement in the Annual Report 2025-26.

Sr No	Particulars	Blue Star Employees Stock Option Scheme - 2024 ("ESOP 2024")
1.	General terms and conditions	ESOP 2024 has been implemented through an Irrevocable Trust – Blue Star ESOP Trust ('Trust'), which is setup in accordance with provisions of the Indian Trusts Act, 1882 and as per the requirements prescribed under SEBI Regulations. ESOP 2024 is applicable only to the employees, working in India or outside India, who are in the employment of the Company and/or Subsidiaries including any Director, whether whole-time or otherwise (other than the employees or Directors who are Promoter or person belonging to the Promoter Group, Independent Directors of the Company and Directors holding

Sr No	Particulars	Blue Star Employees Stock Option Scheme - 2024 ("ESOP 2024")
		directly or indirectly more than 10% of the outstanding equity shares of the Company). The Nomination & Remuneration Committee ('NRC') of the Company acts as Compensation Committee for the supervision of ESOP 2024 and the Trust administers ESOP 2024 under the guidance of the NRC. All questions of interpretation of ESOP 2024 shall be determined by the NRC or Trust as per the terms of ESOP 2024.
2.	Date of Shareholders approval	September 25, 2024
3.	Total number of options approved under the Scheme	5,00,000 Stock Options
4.	Vesting requirements	Vesting Period for Stock Options shall commence after minimum 1 (One) year from the Grant Date and it may extend up to maximum of 5 (Five) years from the Grant Date or such lesser period as may be decided by the Nomination and Remuneration Committee at its sole discretion from time to time. For the options granted during the year, the Stock Options shall vest in four instalments of 25% each on expiry of 12 months, 24 months, 36 months and 48 months from the date of Grant, respectively, subject to achievement of the performance criteria.
5.	Exercise Price or Pricing formula	The Exercise Price for Stock Options shall be at face value of equity shares of the Company i.e. Rs 2/-.
6.	Maximum term of options granted	The Stock Options vested shall be exercised within a period of seven years from the Grant Date.
7.	Source of shares (primary, secondary or combination)	The Company has implemented the Scheme through Trust route. The Trust will acquire equity shares by way of primary issuance

Sr No	Particulars		Blue Star Employees Stock Option Scheme - 2024 ("ESOP 2024")
			by the Company and/or through secondary acquisition of equity shares of the Company or other permissible manner.
8.	Variation in terms of options during the financial Year		Not Applicable.
9.	Method used to account for ESOP – Intrinsic or fair Value		Fair value.
10.	Where the Company opts for expensing of options using the intrinsic value of options, the difference, between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and Earnings per share (EPS) of the Company shall also be disclosed.		Not Applicable.
11.	Option movement during the financial year:		
	a.	Number of options outstanding at the beginning of the year	80,660
	b.	Number of options granted during the year	80,431
	c.	Number of options forfeited/lapsed during the year	19,119
	d.	Number of options vested during the year	14,731
	e.	Number of options exercised during the year	3,182
	f.	Number of Shares arising as a result of exercise of options	3,182
	g.	Money realised by exercise of options (INR), if scheme is implemented directly by the Company	Not Applicable
	h.	Loan repaid by the trust during the year from exercise price received	Not Applicable

Sr No	Particulars		Blue Star Employees Stock Option Scheme - 2024 ("ESOP 2024")
	i.	Number of options outstanding at the end of the year	1,38,790
	j.	Number of options exercisable at the end of the year	11,549
12.	Weighted average exercise prices and the weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock		The fair value at Grant Date is determined using "Black Scholes Model". Members may refer to the audited financial statement for the financial year 2025-26 for further details.
13.	Employee wise details of options granted during the year to:		
	a.	Senior Managerial Personnel (including Key Managerial Personnel)	Refer Annexure A
	b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year	--
	c.	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NIL
14.	Diluted EPS pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 / IND AS 33 'Earnings Per Share'		18.73

15.	A description of the method and significant assumptions used during the financial year to estimate the fair values of options, including weighted average information:		The fair value of the employee Stock Option granted has been estimated using black-Scholes model of pricing. For the calculation of fair value of the Stock Option, the black-Scholes model requires the consideration of certain variables such as share price, exercise price, volatility, risk free rate, expected dividend yield, and expected option life. Members may refer to Note no. 51 of the audited standalone financial statements and Note no. 52 of the audited consolidated financial statements for the financial year 2025-26 for further details.
16.	a.	Share Price	As the Company is listed on the stock exchange thus, the share price data is readily available. As advised by the Company, we have used the closing share price of the Company as on the grant date.
17.	b.	Exercise Price	The Exercise Price for Stock Options shall be at face value of the equity shares of the Company i.e. Rs 2/-.
18.	c.	Expected volatility	As the Company is listed on the stock exchange thus, the historical share price data for the relevant period is readily available. The expected volatility for the options issued by the company has been determined after observing the Company's historical volatility. Members may refer to Note no. 51 of the audited standalone financial statements and Note no. 52 of the audited consolidated financial statements for the financial year 2025-26 for further details.

19.	d.	Expected Option Life	Expected Stock Option life is seven years from the Grant Date.
20.	e.	Expected dividend	The Company has historically paid dividends and have a dividend payment policy in place. Dividend yield has been considered as per the data available in public domain.
21.	f.	Risk free interest rate	This is based on the yields on Indian government bonds of term equivalent to the expected life of the option as on the Grant Date.
22.	g.	Any other inputs to model	--
23.	h.	The method used and the assumptions made to incorporate the effects of expected early exercise. The method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes Options Pricing Model. The assumptions used for valuation are provided in the audited financial statement of the Company for the financial year 2025-26.
24.	i.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Refer Annexure B. Further, Members may refer to Note no. 51 of the audited standalone financial statements and Note no. 52 of the audited consolidated financial statements for the financial year 2025-26 for further details.
25.	j.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	--

Details of Trust

Sr No	**Particulars**	**Blue Star ESOP Trust**
a.	Name of the Trust	Blue Star ESOP Trust
b.	Details of the Trustee(s)	Vistra ITCL (India) Limited

c.	Amount of loan disbursed by company / any company in the group, during the year	NIL
d.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	NIL
e.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	NIL
f.	Any other contribution made to the Trust during the year	NIL

Brief details of transactions in shares by the Trust

Sr No	Particulars	Blue Star ESOP Trust
a.	Number of shares held at the beginning of the year;	25,000
b.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	NIL
c.	Number of shares transferred to the employees / sold along with the purpose thereof;	2,848
d.	Number of shares held at the end of the year.	22,152

Annexure A

Stock Options granted to Senior Management Personnel including Key Managerial Personnel during the year:

Sr. No	Names	Designation	Number of Stock Options
1.	Mr B Thiagarajan	Managing Director	22,213
2.	Mr Mohit Sud	Group President – Unitary Cooling Products	5,262
3.	Mr Sanjeev Agrawal	Chief Technology Officer	4,361
4.	Mr Nikhil Sohoni	Group Chief Financial Officer	6,435
5.	Mr Arun Rajan	Group Chief Human Resources Officer	3,297
6.	Mr Rajesh Parte	Company Secretary & Compliance Officer	774

Annexure B

Description of the method and significant assumptions used to estimate the fair values of options for Grant I dated October 21, 2024:

Vesting Period	Stock Price	Exercise Price	Expected Maturity term	Risk free rate of Interest	Volatility	Dividend
October 21, 2025	2017.85	Rs. 2.00	4.00	6.86%	31.00%	0.35%
October 21, 2026	2017.85	Rs. 2.00	4.50	6.86%	31.95%	0.35%
October 21, 2027	2017.85	Rs. 2.00	5.00	6.85%	33.25%	0.35%
October 21, 2028	2017.85	Rs. 2.00	5.50	6.85%	33.35%	0.35%

Description of the method and significant assumptions used to estimate the fair values of options for Grant II dated October 31, 2025:

Vesting Period	Stock Price	Exercise Price	Expected Maturity term	Risk free rate of Interest	Volatility	Dividend
October 31, 2026	1,937.40	Rs. 2.00	4.00	6.22%	33.37%	0.34%
October 31, 2027	1,937.40	Rs. 2.00	4.50	6.24%	32.22%	0.34%
October 31, 2028	1,937.40	Rs. 2.00	5.00	6.27%	32.18%	0.34%
October 31, 2029	1,937.40	Rs. 2.00	5.50	6.41%	32.80%	0.34%