



# BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

June 22, 2023

To, The Manager - Listing <b>BSE Limited ("BSE")</b> , Corporate Relationship Department, 2nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, The Manager - Listing <b>National Stock Exchange of India Limited ("NSE")</b> , "Exchange Plaza", 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051.
<b>BSE Scrip Code: 517421</b>	<b>NSE Symbol: BUTTERFLY</b>
<b>ISIN: INE295F01017</b>	<b>ISIN: INE295F01017</b>
<b>Our Reference: 31/2023-24</b>	<b>Our Reference: 31/2023-24</b>

Dear Sir/Madam,

**Sub: Notice of the 36<sup>th</sup> Annual General Meeting and Annual Report 2022-23 – Intimation under Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We wish to inform you that the Annual General Meeting ("AGM") of Butterfly Gandhimathi Appliances Limited ("the Company") will be held on **Wednesday, July 19, 2023 at 3:00 P.M.** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") and the deemed venue of the meeting shall be the Registered Office of the Company situated at 143, Pudupakkam Village, Vandalur–Kelambakkam Road, Kelambakkam, Chengalpattu District -603103.

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") read with General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars"), and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, issued by the Securities and Exchange Board of India ("SEBI Circulars"), the AGM will be held through VC/OAVM without the physical presence of the Shareholders at a common venue.

Accordingly, in pursuance of Regulation 30 and Regulation 34(1) of the SEBI Listing Regulations, as amended from time to time, please find enclosed Notice of the AGM and the Annual Report of the Company for the Financial Year 2022-23, which will be sent to the Members through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants.

In terms of Regulation 46 of the SEBI Listing Regulations, the said Notice of 36<sup>th</sup> AGM and Annual Report is also available on the website of the Company and can be accessed at: <https://www.butterflyindia.com/investor-relations/> .

Please note that the Annual Report also contains the Business Responsibility and Sustainability Report of the Company published for the financial year 2022-23.

**Regd.office** : 143.Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam - Pin 603 103,  
Chengalpattu District, Phone : +91-44-47415500 CIN No : L28931TN1986PLC012728.  
E-mail : [gmal@butterflyindia.com](mailto:gmal@butterflyindia.com), Web : [www.butterflyindia.com](http://www.butterflyindia.com)

**Corporate office** : E-34, 2nd Floor, Egattur Village, Rajiv Gandhi Salai, Navalur - 600130, Chengalpattu District.  
Phone : 044-49005100 E-mail : [butterflyho@butterflyindia.com](mailto:butterflyho@butterflyindia.com),



## BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Company is providing the facility to its Members to exercise their right to vote by electronic means on any or all of the businesses specified in the Notice convening the 36<sup>th</sup> AGM of the Company, through remote e-Voting services of National Securities Depository Limited (“NSDL”) as well as e-Voting during the AGM. The e-Voting instructions and the process to join meeting through VC/ OAVM is set out in the AGM Notice.

Further, in accordance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of AGM along with the Annual Report is being sent by electronic mode today i.e. June 22, 2023 to only those Shareholders whose email addresses are registered with the Company/ Depository Participants.

### Information at a glance:

Particulars	Details
Mode	Video conference and other audio-visual means
Time and date of AGM	Wednesday, July 19, 2023, 3:00 P.M.
Participation through videoconferencing	<a href="https://www.evoting.nsd.com">https://www.evoting.nsd.com</a>
Helpline number for VC participation	1800 22 55 33
Video recording and transcripts	<a href="https://www.butterflyindia.com/investor-relations/">https://www.butterflyindia.com/investor-relations/</a>
Cut-off date for e-Voting	Wednesday, July 12, 2023
Remote e-Voting start time and date	Saturday, July 15, 2023, 9.00 A.M. IST
Remote e-Voting end time and date	Tuesday, July 18, 2023, 5.00 P.M. IST
Remote e-Voting website of NSDL	<a href="https://www.evoting.nsd.com">https://www.evoting.nsd.com</a>

You are requested to take the above information on record.

Thanking you,

**For Butterfly Gandhimathi Appliances Limited**

**Viral Sarvaiya**  
**Company Secretary & Compliance Officer**  
**ACS-33764**

**Regd.office** : 143.Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam - Pin 603 103,  
Chengalpattu District, Phone : +91-44-47415500 CIN No : L28931TN1986PLC012728.  
E-mail : [gmal@butterflyindia.com](mailto:gmal@butterflyindia.com), Web : [www.butterflyindia.com](http://www.butterflyindia.com)

**Corporate office** : E-34, 2nd Floor, Egattur Village, Rajiv Gandhi Salai, Navalur - 600130, Chengalpattu District.  
Phone : 044-49005100 E-mail : [butterflyho@butterflyindia.com](mailto:butterflyho@butterflyindia.com),

# Notice to the Shareholders

**NOTICE** is hereby given that the **Thirty Sixth (36<sup>th</sup>) Annual General Meeting** (the "AGM") of the Members of Butterfly Gandhimathi Appliances Limited ("the Company") will be held on **Wednesday, July 19, 2023 at 3.00 P.M. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") for which purpose the Registered Office of the Company situated at 143, Pudupakkam Village, Vandalur - Kelambakkam Road, Kelambakkam, Chengalpattu District -603103 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following businesses:

## Ordinary Business

### 1. Adoption of financial statements

To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Board of Directors ("the Board") and the Auditors thereon.

### 2. Appointment of Mr. Shantanu Khosla (DIN:00059877) as a Director liable to retire by rotation

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

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of Members of the Company, be and is hereby accorded to reappoint Mr. Shantanu Khosla (DIN:00059877) as a Director, who is liable to retire by rotation."

## Special Business

### 3. Ratification of remuneration payable to M/s. S. Mahadevan & Co., Cost Auditors of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Members do hereby ratify the remuneration of ₹1,75,000 (Rupees One Lakh Seventy Five Thousand Only only) (exclusive of applicable taxes and re-imbursment of out of pocket expenses) payable to M/s. S. Mahadevan & Co., Cost Accountants (Firm Registration Number 000007), who have been appointed by the Board of Directors basis the recommendation of the Audit Committee, as Cost Auditors of the Company, to conduct the audit of the cost records maintained by

the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending March 31, 2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all act(s), deed(s), matter(s) & thing(s) and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### 4. Appointment of Mr. Promeet Ghosh (DIN:05307658) as a Non-Executive Non-Independent Director of the Company

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable Rules made thereunder (including any statutory modifications(s) or re-enactment(s) thereof for the time being in force) and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee ("N&RC") and the Board of Directors ("Board"), the consent of the Members of the Company be and is hereby given for the appointment of Mr. Promeet Ghosh (DIN:05307658), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 12, 2023, pursuant to the provisions of Section 161 of the Companies Act, 2013, as a Non-Executive, Non-Independent Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) or the Key Managerial Personnel be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board  
For **Butterfly Gandhimathi Appliances Limited**

**Viral Sarvaiya**

Company Secretary &  
Compliance Officer  
Membership No.: A33764

Place: Chennai  
Date: May 12, 2023

**Registered Office:**  
143, Pudupakkam Village,  
Vandalur-Kelambakkam Road,  
Kelambakkam,  
Chengalpattu District-603103



## Important Notes

1. Ministry of Corporate Affairs (“MCA”) has vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular No. 2/2022 dated May 5, 2022 followed by Circular No. 10/2022 and 11/2022 dated December 28, 2022 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 followed by Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (collectively referred to as “SEBI Circulars”) and all other relevant circulars issued from time to time, permitted the holding of Annual General Meeting (“AGM”) through VC/ OAVM, without physical presence of the Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/ OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) relating to Special Business as stated under Item Nos. 3 & 4 of the Notice dated May 12, 2023 are annexed hereto as required under the Act followed by Secretarial Standard - 2, (“SS-2”) on General Meetings issued by Institute of Company Secretaries of India (“ICSI”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time.
3. A statement providing additional details of the Directors seeking re-appointment as set out in Item No. 4 of the Notice dated **Friday, May 12, 2023** is annexed herewith as required under Regulation 36(3) of the SEBI Listing Regulations as amended from time to time and SS-2 on General Meetings issued by ICSI.
4. Since this AGM is being conducted through VC/ OAVM, physical attendance of Members has been dispensed of in line with MCA circulars and hence the facility for appointment of proxies to attend and cast vote for the Members will not be available for this AGM. Hence, the proxy form and attendance slip including the route map of AGM are not annexed to this Notice.
5. The attendance of the Members attending the Meeting through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-Voting and e-Voting during the AGM. The process and instructions for remote e-Voting are provided in the subsequent paragraphs. Such remote e-Voting facility is in addition to voting that will take place at the 36<sup>th</sup> AGM being held through VC.
7. Institutional/ Corporate Shareholders (i.e., other than individuals, HUF’s, NRI’s, etc.) are requested to send a certified scanned copy (PDF/ JPG Format) of their respective Board or governing body resolution/ authorisation letter etc., authorizing their representative to attend the AGM through VC/ OAVM on their behalf and to vote through remote e-Voting. The said Resolution/ authorisation letter shall be sent to the Scrutinizer by e-mail through its registered e-mail address at [alagar@geniconsolutions.com](mailto:alagar@geniconsolutions.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) Institutional shareholders (i.e., other than individuals, HUF’s, NRI’s etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on “**Upload Board Resolution/Authority Letter**” displayed under “**e-Voting**” tab in their login.
8. The voting rights of Members shall be proportionate to their share of the paid-up equity share capital of the Company as on the Record Date.
9. Pursuant to Regulation 40 of the SEBI Listing Regulations and SEBI vide its notification dated January 25, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Registrar and Share Transfer Agent (“RTA”), for assistance in this regard.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in physical form who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in SH-14. The said form can be downloaded from the Company’s website at [www.butterflyindia.com](http://www.butterflyindia.com) Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
13. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer

to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [butterfly.investorrelations@butterflyindia.com](mailto:butterfly.investorrelations@butterflyindia.com)
15. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's RTA/ their Depository Participants ("DPs"), in respect of shares held in physical/ electronic mode, respectively.
16. Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.butterflyindia.com](http://www.butterflyindia.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL <https://www.evoting.nsdl.com>
17. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for at least 1000 Members on first come first served basis. This will not include large shareholders (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson(s) of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
18. In compliance with Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by listed companies, the Company has provided a facility to its members to exercise their votes through e-Voting facility provided by National Securities Depository Limited ("NSDL"), on all resolutions set forth in this Notice.
19. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date being **Wednesday, July 12, 2023**. 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 only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the 36<sup>th</sup> AGM. A Member can opt for only one mode of voting i.e. either through remote e-Voting or at the venue of AGM. If a Member casts his/ her vote by both modes, then voting done through remote e-Voting shall prevail and the vote at the AGM venue shall be treated as invalid.
20. Any person, 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, may obtain the login ID and password by sending a request at [e-voting@nsdl.co.in](mailto:e-voting@nsdl.co.in) However, if he/ she is already registered with NSDL for remote e-voting then he/ she can use his/ her existing user ID and password for casting the vote.
21. SEBI through its Circulars dated November 3, 2021 and December 14, 2021 respectively has mandated the Shareholders holding shares in physical form to update/register their PAN, Nomination, Contact Details i.e. Postal address with PIN Code, Mobile number, Email address, Bank Account details and Specimen Signature by providing form ISR-1, ISR-2, ISR-3 and form SH-13 complete in all respects along with other required documents as prescribed in these forms by any one of the following mode:
  - Sending hard copy of the said forms along with required documents to the, GNSA Infotech Private Limited ("RTA") at Nelson Chambers Block F, 4<sup>th</sup> Floor, 115, Nelson Manickam Road, Aminthakarai, Chennai - 600029; or
  - In Person Verification (IPV) of the said forms and required documents at the office of our RTA, at Nelson Chambers Block F, 4<sup>th</sup> Floor, 115, Nelson Manickam Road, Aminthakarai, Chennai - 600029; or
  - Through electronic mode, by downloading the said forms and filling the same with e-sign. The required documents should be uploaded at the website of the RTA of the Company at <http://www.gnsaindia.com/share-registry-operations.php> Procedure for uploading the documents is available at the said link.



## 22. INSTRUCTIONS TO MEMBERS WITH REGARD TO REMOTE E-VOTING AND JOINING THE AGM ARE AS UNDER

The remote e-Voting period commences on **Saturday, July 15, 2023** (09.00 A.M. IST) and ends on **Tuesday, July 18, 2023** (5.00 P.M. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on **Wednesday, July 12, 2023** being the cut-off date, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/ OAVM facility and have not casted their votes on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to the NSDL e-voting system





Step 2: Cast your votes 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 members holding securities in demat mode

In terms of SEBI circular dated **December 9, 2020** on e-Voting facility provided by listed companies and as a part of increasing the efficiency of the e-voting process, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members 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 Members holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Members holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> Select "Register Online for IDEAS Portal" or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> 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 (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>       </div>

Type of shareholders	Login Method
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/ Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Members (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option.</li> <li>2. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

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

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

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 1800 22 55 33

**B) Login Method for e-voting and joining virtual meeting for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, 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 101456 then user ID is 101456001***

5. Password details for Members other than Individual Members 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 steps mentioned below in **process for those Members whose email ids 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](http://www.evoting.nsdl.com)
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
  - 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, the home page of e-Voting will open.

#### Step 2: Cast your vote electronically on NSDL e-Voting system

1. After successful logging in following 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 company 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 procuring user id and password for e-voting for those Members whose email IDs are not registered with the Depositories/ Company and registration of email ids for e-voting on all the resolutions set out in this notice:

1. In case shares are held in physical mode and have not updated their email addresses with the company, please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card and Aadhar Card by email to [butterfly.investorrelations@butterflyindia.com](mailto:butterfly.investorrelations@butterflyindia.com) for registering email address.
2. In case shares are held in demat mode, please provide DPID and Client ID (16 digit DP ID + Client ID or 16-digit beneficiary ID), Name of Member, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card and Aadhar Card to [butterfly.investorrelations@butterflyindia.com](mailto:butterfly.investorrelations@butterflyindia.com)
3. Alternatively, Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) 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 Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are required to update

their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### General Guidelines for Members

1. 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 (5) 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](http://www.evoting.nsdl.com) to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and the e-voting user manual for shareholders available in the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free number: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Anubhav Saxena, Deputy General Manager- NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### 23. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER

1. The procedure for e-Voting on the day of 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. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### 24. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER

- i. Member 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 link of "VC/ OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/ OAVM will be available in 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.



- ii. Members are encouraged to join the Meeting through Laptops for better experience.
  - iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - iv. 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.
  - 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 [butterfly.investorrelations@butterflyindia.com](mailto:butterfly.investorrelations@butterflyindia.com) The same will be replied by the company suitably.
  - vi. 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 ID mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [butterfly.investorrelations@butterflyindia.com](mailto:butterfly.investorrelations@butterflyindia.com) from **Monday, July 10, 2023 (from 9.00 A.M.) to Saturday, July 15, 2023 (up to 5.00 P.M.)**. 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.
  - vii. 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 [butterfly.investorrelations@butterflyindia.com](mailto:butterfly.investorrelations@butterflyindia.com) The same will be replied by the company suitably.
  - viii. Any Member holding shares in physical form and non-individual Members, 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. **Wednesday, July 12, 2023** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/ RTA. 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](http://www.evoting.nsdl.com) or call on toll free no. 1800 22 55 33. In case of Individual Members 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. **Wednesday, July 12, 2023** may follow steps mentioned in the Notice of the AGM under **"Access to NSDL e-Voting system"**.
  - ix. A person who is not a Member as on the cut-off date is requested to treat this Notice for information purposes only.
  - x. A Member will not be allowed to vote again on any resolution on which vote has already been cast.
  - xi. Members attending the AGM who have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to cast their votes through e-Voting during the AGM. The Members who have casted their votes prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their votes again.
  - xii. The remote e-voting module on the day of the AGM shall be disabled by NSDL for voting after 15 minutes of the conclusion of the AGM.
  - xiii. Any person holding shares in physical form, and non-individual shareholders, 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, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) However, if he/ she is already registered with NSDL for remote e-voting, then he/ she can use his/ her existing user ID and password for casting the vote.
  - xiv. In case of individual shareholders holding securities in demat mode, who acquires the shares of the Company and becomes a Member of the Company after the Notice is sent and holding shares as of the cut-off date, may follow steps mentioned below under **'Instructions for e-Voting'**.
- ## 25. SCRUTINISER'S REPORT AND DECLARATION OF RESULTS
- i. The Board of Directors of the Company has appointed Mr. M. Alagar (Membership No. F7488 and or failing him Mr. D. Saravanan (Membership No. A60177), Partners of M/s. M. Alagar & Associates, Practicing Company Secretaries (ICSI Unique code: P2011TN078800), as the Scrutiniser to scrutinize the e-Voting process during the AGM and remote e-Voting in a fair and transparent manner.
  - ii. The Scrutiniser shall, immediately after the conclusion of the e-Voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting in the presence of at least Two (2) witnesses not in the employment of the Company and provide, not later than Forty Eight (48) hours of 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.

- iii. The results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.butterflyindia.com](http://www.butterflyindia.com) and on the website of NSDL, i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the submission with the Stock Exchanges, where the shares of the Company are listed. Subject to receipt of the requisite number of votes, the resolutions shall be deemed to have been passed on the date of the AGM, i.e. **Wednesday, July 19, 2023**.

#### 4. NOTE TO SHAREHOLDERS

- i. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to the DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/ RTA.
- ii. Members are requested to intimate changes, if any, pertaining to their name, postal address, Email ID, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details (such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.), with necessary documentary evidence, to their DPs in case the shares are held by them in dematerialised form and to the Company/ RTA.
- iii. Members are requested to quote their Folio No. or DP ID - Client ID, as the case may be, in all correspondence with the Company or the GNSA Infotech Private Limited.
- iv. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. Attention of the Members holding

shares of the Company in physical form is invited to go through the said important communication.

- v. We hereby inform that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated:
- Furnishing of PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities.
  - Freezing of folios in cases where PAN is not linked with Aadhaar by March 31, 2022 (or any other date as may be specified by the Central Board of Direct Taxes).
  - Folios wherein any one of the said document(s)/ detail(s) are not available on or after April 1, 2023, shall be frozen. Such shareholders shall not be eligible to lodge grievance(s) or avail service request(s) from the RTA and shall not be eligible for receipt of dividend in physical mode.
  - After December 31, 2025, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.
- vi. Further, in compliance to the SEBI Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, if the service requests are received by RTA (like Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/ Exchange, Endorsement, Sub-division/ Splitting, Consolidation of securities certificates/ folios, Transmission and Transposition of securities) from those shareholders whose details, as mentioned in the SEBI Circular dated November 3, 2021, are duly updated in the system, the RTA/ Company shall verify and process the service requests and issue a 'Letter of Confirmation' in lieu of physical securities certificate(s), to the securities holder/ claimant within Thirty (30) days of its receipt of such request after removing objections, if any, which shall be valid for a period of One Hundred and Twenty Days (120) from the date of its issuance, within which the securities holder/ claimant shall make a request to the DP for dematerializing the said securities.



vii. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated **January 25, 2022** has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website under the weblink at <https://www.butterflyindia.com/wp-content/uploads/2023/05/Form-ISR-4-1.pdf> and on the website of the Company's RTA at <http://www.gnsaindia.com/share-registry-operations.php> Members holding equity shares of the Company in physical form are requested to kindly get their equity

shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

By Order of the Board  
For **Butterfly Gandhimathi Appliances Limited**

**Viral Sarvaiya**  
Company Secretary &  
Compliance Officer  
Membership No.: A33764

Place: Chennai  
Date: May 12, 2023

**Registered Office:**  
143, Pudupakkam Village,  
Vandalur-Kelambakkam Road,  
Kelambakkam,  
Chengalpattu District-603103

## STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING AND RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 3

#### Ratification of remuneration payable to M/s. S. Mahadevan & Co., Cost Auditors of the Company

The Company is required to have its cost records audited by an individual who is a Cost Accountant or a firm of Cost Accountants in practice. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee, at their Meeting held on **Friday, May 12, 2023**, had approved the appointment of M/s. S. Mahadevan & Co., Cost Auditors (Firm Registration No. 000007) as the Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2024 at a remuneration of ₹1,75,000 (Rupees One Lakh Seventy Five Thousand Only) (excluding all taxes and reimbursement of out of pocket expenses, if any at actuals).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors needs to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

The Board recommends the resolution as set out at Item No. 3 of the Notice for the approval of the Members of the Company as an Ordinary Resolution.

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

### Item 4

#### Appointment of Mr. Promeet Ghosh (DIN: 05307658) as a Non-Executive, Non-Independent Director of the Company

Mr. Promeet Ghosh was appointed by the Board of Directors as an Additional Director, effective May 12, 2023, subject to the approval of the Members of the Company. In terms of Section 161 of the Companies Act, 2013 ("**Act**"), Nomination & Remuneration Committee and the Board have recommended the appointment of Mr. Promeet Ghosh as a Non-Executive, Non-Independent Director of the Company. Mr. Promeet Ghosh has been appointed as the Managing Director & Chief Executive Director on the Board of Crompton Greaves Consumer Electricals Limited, the holding company of the Company w.e.f. May 1, 2023 and represents the interest of the holding company.

Pursuant to amendment (effective from January 01, 2022) to Regulation 17(1C) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**the Listing Regulations**"), Mr. Promeet Ghosh shall hold office up to the date of next Annual General Meeting or for a period of Three (3) months from the date of appointment, whichever is earlier.

Mr. Ghosh is a graduate in Engineering (Electrical & Electronics) from National Institute of Technology, Trichy and an MBA from Indian Institute of Management, Calcutta. He has served as director on boards of various companies across sectors and very closely involved in designing the strategic and operational priorities of these companies along with driving performance and delivery. He was with DSP Merrill Lynch for 18 years and helped build its business in India. Thereafter, Mr. Ghosh was Deputy Head, Temasek India, leading the team on the ground for nearly a decade. During his tenure, Temasek's direct India exposure grew significantly. After leaving the full-time role at Temasek in March 2022, he served as an advisor to Temasek India until March 2023.

Further, the Company has also received from Mr. Ghosh, the consent to act as a Director in terms of Section 152 of the Act and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. In the opinion of the Board, Mr. Promeet Ghosh has fulfilled the conditions of the Act and the Listing Regulations for his appointment as a Non-Executive Non-Independent Director of the Company.

Additional information in respect of Mr. Promeet Ghosh, pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure A to this Notice.

Except Mr. Promeet Ghosh and/or his relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. The Board of Directors recommends the resolution proposing the appointment of Mr. Promeet Ghosh as a Non-Executive Non-Independent Director of the Company, as set out in Item No. 4 for approval of the Members by way of an Ordinary Resolution.

By Order of the Board  
For **Butterfly Gandhimathi Appliances Limited**

**Viral Sarvaiya**

Company Secretary &  
Compliance Officer

Membership No.: A33764

Place: Chennai  
Date: May 12, 2023

**Registered Office:**  
143, Pudupakkam Village,  
Vandalur-Kelambakkam Road,  
Kelambakkam,  
Chengalpattu District-603103



## ANNEXURE A

### Details of Director seeking Appointment/ Reappointment/ in the forthcoming Annual General Meeting

[In pursuance of Secretarial Standards on General Meetings (SS-2) and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr. Shantanu Khosla	Mr. Promeet Ghosh
<b>Director Identification Number</b>	00059877	05307658
<b>Category</b>	Non-Executive, Non-Independent Director	Non-Executive, Non-Independent Director
<b>Date of Birth</b>	January 25, 1960	September 5, 1968
<b>Age</b>	63 years	54 Years
<b>Nationality</b>	Indian	Indian
<b>Date of first appointment on the Board</b>	March 30, 2022	May 12, 2023
<b>Relationship with Directors, Managers and KMPs</b>	There is no relationship with other Directors on the Board, Managers and KMPs.	There is no relationship with other Directors on the Board, Managers and KMPs.
<b>Brief Profile</b>	<p>Mr. Khosla holds a Bachelor's degree in Mechanical Engineering from Indian Institute of Technology, Bombay and MBA from Indian Institute of Management, Calcutta. He also served as the Managing Director and Chief Executive Officer (CEO) of Procter &amp; Gamble from July 2002 to June 2015. He has also served on the Board of Crompton Greaves Consumer Electricals Limited (Holding Company) till April 30, 2023 as Managing Director and from May 1, 2023 as Executive Vice Chairman.</p>	<p>Mr. Ghosh is a graduate in Engineering (Electrical &amp; Electronics) from National Institute of Technology, Trichy and an MBA from Indian Institute of Management, Calcutta. He has served as director on boards of various companies across sectors and very closely involved in designing the strategic and operational priorities of these companies along with driving performance and delivery. He was with DSP Merrill Lynch for 18 years and helped build its business in India.</p> <p>Thereafter, Mr. Ghosh was Deputy Head, Temasek India, leading the team on the ground for nearly a decade. During his tenure, Temasek's direct India exposure grew significantly. After leaving the full-time role at Temasek in March 2022, he served as an advisor to Temasek India until March 2023.</p>
<b>Qualification</b>	Bachelor's degree in Mechanical Engineering from Indian Institute of Technology, Bombay and MBA	Bachelor's degree in Engineering from Regional Engineering College, Trichy and MBA from the Indian Institute of Management, Calcutta
<b>Experience</b>	37 years	31 years
<b>Expertise in specific functional area</b>	Wide managerial experience in Consumer Products Industry	Wide managerial experience across multiple industries
<b>Terms and Conditions of appointment or re-appointment</b>	<ul style="list-style-type: none"> <li>• To be appointed as a Director</li> <li>• Liable to retire by rotation</li> <li>• Eligible for re-appointment</li> </ul>	<ul style="list-style-type: none"> <li>• To be appointed as a Director</li> <li>• Liable to retire by rotation</li> <li>• Eligible for re-appointment</li> </ul>
<b>Number of shares held in the Company (directly or as a beneficial owner)</b>	Nil	Nil

Name of the Director	Mr. Shantanu Khosla	Mr. Promeet Ghosh																
Number of Meetings of the Board attended during the year	6	NA																
Membership/Chairmanship of Committees of the Company (Butterfly Gandhimathi Appliances Limited)	1. Audit Committee - Member 2. Nomination & Remuneration Committee - Member 3. Corporate Social Responsibility Committee - Chairman 4. Risk Management Committee - Member	1. Stakeholder's Relationship Committee - Chairman 2. Share Transfer Committee - Chairman																
List of Directorship in other Listed Companies	1. Crompton Greaves Consumer Electricals Limited	1. Crompton Greaves Consumer Electricals Limited																
List of Directorship in other unlisted Companies	Nil	Nil																
Membership/Chairmanship of Committees across other Public Companies (listed as well as unlisted)	<table border="1"> <thead> <tr> <th>Name of the Company</th> <th>Committee</th> <th>Chairman /Member</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Crompton Greaves Consumer Electricals Limited</td> <td>Stakeholders Relationship and Share Transfer Committee</td> <td>Member</td> </tr> <tr> <td>Corporate Social Responsibility Committee</td> <td>Chairman</td> </tr> </tbody> </table>	Name of the Company	Committee	Chairman /Member	Crompton Greaves Consumer Electricals Limited	Stakeholders Relationship and Share Transfer Committee	Member	Corporate Social Responsibility Committee	Chairman	<table border="1"> <thead> <tr> <th>Name of the Company</th> <th>Committee</th> <th>Chairman /Member</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Crompton Greaves Consumer Electricals Limited</td> <td>Stakeholders Relationship and Share Transfer Committee (w.e.f. May 1, 2023)</td> <td>Member</td> </tr> <tr> <td>ESG Committee</td> <td>Member</td> </tr> </tbody> </table>	Name of the Company	Committee	Chairman /Member	Crompton Greaves Consumer Electricals Limited	Stakeholders Relationship and Share Transfer Committee (w.e.f. May 1, 2023)	Member	ESG Committee	Member
	Name of the Company	Committee	Chairman /Member															
	Crompton Greaves Consumer Electricals Limited	Stakeholders Relationship and Share Transfer Committee	Member															
Corporate Social Responsibility Committee		Chairman																
Name of the Company	Committee	Chairman /Member																
Crompton Greaves Consumer Electricals Limited	Stakeholders Relationship and Share Transfer Committee (w.e.f. May 1, 2023)	Member																
	ESG Committee	Member																
Number of shares held in the Company (self and as a beneficial owner)	Nil	Nil																
Sitting Fees /Remuneration sought to be paid	Mr. Shantanu Khosla will not be entitled to Sitting Fees for attending the Meetings of the Board and Committees thereof.	Mr. Promeet Ghosh will not be entitled to Sitting Fees for attending the Meetings of Board and Committees thereof																
Terms and Conditions of Appointment	Mr. Shantanu Khosla has been appointed as Non-Executive Non- Independent Director.	Mr. Promeet Ghosh has been appointed as Non-Executive Non-Independent Director.																
Listed which resigned in the entities from past three years	Nil	Nil																



## Information at a glance

Particulars	Details
Mode	Video conference (VC) and other audio-visual means (OAVM)
Time and date of AGM	Wednesday, July 19, 2023, at 03:00 p.m.
Participation through VC	<a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a>
Helpline number for VC participation	1800 22 55 33
Webcast and transcripts	<a href="https://www.butterflyindia.com/investor-relations/#agm">https://www.butterflyindia.com/investor-relations/#agm</a>
Cut-off date for e-Voting	Wednesday, July 12, 2023
Remote e-Voting start time and date	Saturday, July 15, 2023, from 9:00 a.m. (IST)
Remote e-Voting end time and date	Tuesday, July 18, 2023, till 5:00 p.m. (IST)
Remote e-Voting website of NSDL	<a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a>
Name, address and contact details of e-voting service provider	<b>Contact details:</b> Mr. Anubhav Saxena - Deputy General Manager Ms. Pallavi Mhatre - Manager National Securities Depository Limited, 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013, India Email Id: <a href="mailto:anubhavs@nsdl.co.in">anubhavs@nsdl.co.in</a> ; <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> Contact number: 1800 22 55 33
Name, address and contact details of Registrar and Transfer Agent	<b>Contact details:</b> Mr. Krishnakumar N - Director & Compliance Officer M/s. GNSA Infotech Private Limited, STA Department, Nelson Chambers, 4th Floor, F-Block, No. 115, Nelson Manickam Road, Aminjikarai, Chennai - 600029, Tamil Nadu. Email ID: <a href="mailto:Bala.r@gnsaindia.com">Bala.r@gnsaindia.com</a> ; <a href="mailto:krishnakumar@gnsaindia.com">krishnakumar@gnsaindia.com</a> Contact number: 044 - 42962025



Powered by  
**innovation,**  
Designed for  
**growth.**



# Contents

## 02-48

### Corporate Overview

- 02 — A legacy of trust and innovation
- 04 — An extensive array of innovative and new-age products
- 06 — Looking back on a transformative journey
- 08 — Growing a global footprint
- 10 — Chairman's message
- 12 — Board of directors
- 15 — Unlocking new synergies of success
- 16 — Sustaining relentless growth
- 18 — Carrying forward a legacy of operational excellence
- 22 — Our pursuit of innovation
- 26 — Reaching further, nurturing a stronger brand
- 28 — Fostering steady progress through talent and teamwork
- 30 — Committed to delighting customers
- 32 — Momentous achievements
- 34 — Leading with transparency, integrity and honesty
- 38 — Mitigating threats proactively
- 46 — Determined to build stronger bonds
- 48 — Corporate information

## 49-140

### Statutory Reports

- 49 — Management Discussion and Analysis
- 57 — Report by Board of Directors to Shareholders
- 77 — Report on Corporate Governance
- 111 — Business Responsibility & Sustainability Report

## 141-197

### Financial Statements

- 142 — Independent Auditor's Report
- 152 — Balance Sheet
- 153 — Statement of Profit and Loss
- 154 — Statement of Changes in Equity
- 155 — Statement of Cash Flows
- 157 — Notes forming part of Financial Statements



In this thriving environment, the kitchen appliances industry has experienced considerable growth. Consumers today prefer time-saving solutions and innovative cooking experiences. //

P. M. Murty, Chairman



To read this report online or to download please visit us at [www.butterflyindia.com/investor-relations](http://www.butterflyindia.com/investor-relations)

#### Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions and macroeconomic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the Company does not have any direct control.

# Butterfly is one of nature's finest creations, symbolising the beauty of radical change.



At Butterfly Gandhimati, in the same way, we drive transformation, embrace new synergies and explore opportunities to realise our full potential.

Since our early days as a pioneer in the kitchen appliances segment in South India, we have been enthused by the quest for excellence and innovation. Leveraging our expertise and experience of over five decades, we have earned the trust and loyalty of customers with an amazing range of user-friendly, advanced and aesthetically pleasing products.

With the proposed merger of Butterfly Gandhimathi Appliances Limited (Butterfly) and Crompton Greaves Consumer Electricals Limited (Crompton), we aspire to accelerate our progress as

we seek to benefit from the combined strengths of both the entities. The proposed merger is expected to simplify our corporate structure, bring together the best of talent from both the organisations and add momentum to our onward journey. Besides, it will empower us to expand our capacity, enable cost efficiencies and introduce technological improvements that will be instrumental in defining our future.

As we traverse the path to greater glory and aim for new milestones,

**we are transforming an organisation that is built for tomorrow.**

## A legacy of trust and innovation

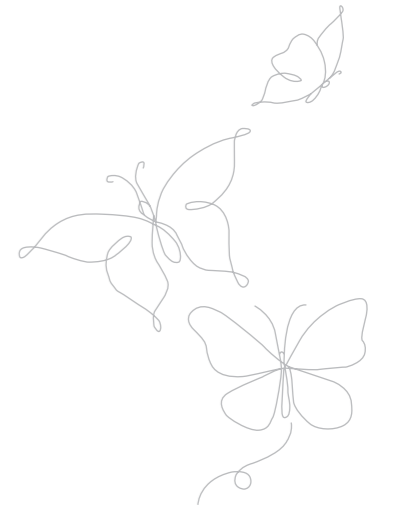
Founded in 1986, Butterfly is one of the most renowned domestic kitchen and electrical appliances brands in India. Carrying forward a 50 year old legacy of delivering modern home appliances, we have consistently revamped our product portfolio to introduce innovative and advanced products to the market.

We were the first company in India to introduce stainless steel pressure cookers, stainless steel LPG stoves and vacuum flasks with high heat retention capacity. As we embark on a new journey in association with Crompton Greaves Consumer Electricals Limited, we remain optimistic about unearthing new synergies of growth and value creation for our diverse stakeholders.



### Our philosophy

Our philosophy is to offer our customers high-quality kitchen and electrical appliances with ergonomic features and aesthetically pleasing designs at a great value while upholding the fundamental principles of transparency, integrity, accountability, and compliance with the applicable laws. We continue to be dedicated to maximising shareholder value and embrace all stakeholders as partners in our success.



### Our core values



Transparency



Integrity



Honesty



Accountability



Compliance with laws



## An extensive array of innovative and new-age products

Our extensive variety of products are renowned for their high quality and dependability. Offering the perfect blend of functionality, aesthetic designs and attractive price points, our products are designed to add convenience to life.

**1,185 +** **Top 3**

SKUs

In core categories of mixers, cookers, stoves in south India

**Ranked No.1 in South India**

for SS LPG Stoves and Wet Grinders



### Categories

Kitchen Appliances, Breakfast Appliances, Electrical Appliances, Kitchenware

### Most Popular offerings

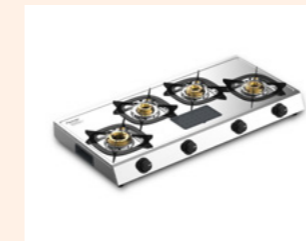
Juicer Mixer Grinder, Pressure Cooker, Vacuum Flasks, Nonstick Cookware, Tower Fan, Hand Mixer, LPG Stoves, Table Top Wet Grinders.



### Product portfolio

Our product range caters to a significant portion of the kitchen appliances market.

#### Kitchen Appliances



LPG Stove



Mixer Grinder



Wet Grinder



Juicer Mixer Grinder



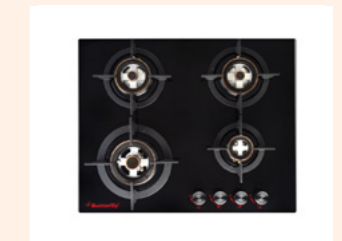
Electric Rice Cookers



Chimney



Power Hobs



Built-in Hobs

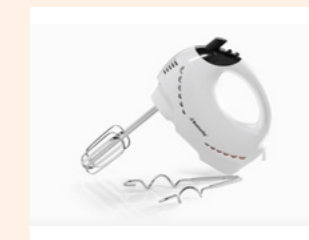
#### Cooker & Cookware



Pressure Cookers



Non-Stick Cookware



Hand Blender



Electric Kettles

#### Others



Pop Up Toaster



Sandwich Maker



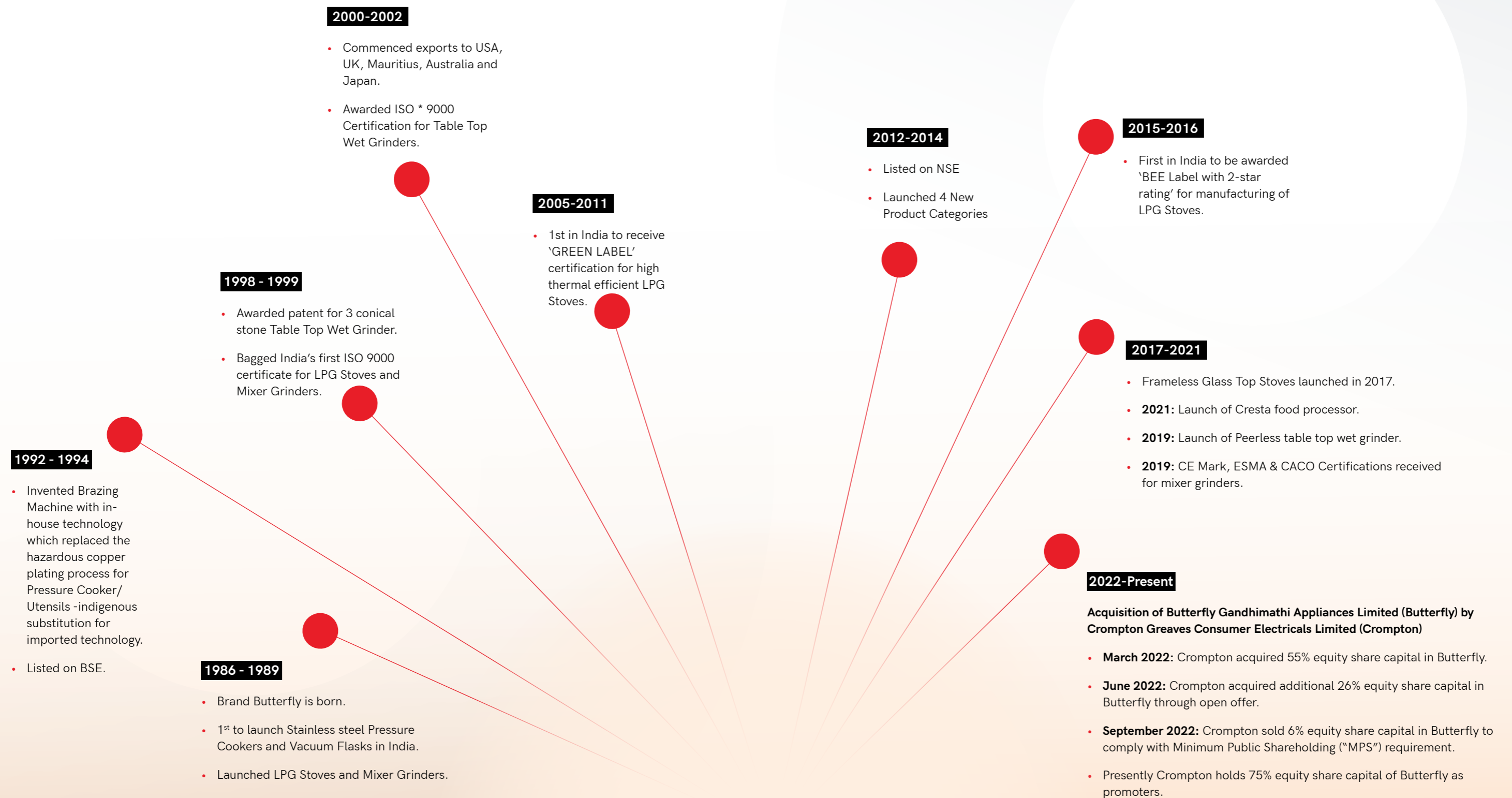
Vacuum Flasks



Water Bottles

Transforming your kitchen into the heart of your home

## Looking back on a transformative journey



## Growing a global footprint

We continue to expand our global footprint with a growing customer base in the United Kingdom, Canada, Australia, Middle East and East Asian countries.

**500 +**

Distributors

**25,000 +**

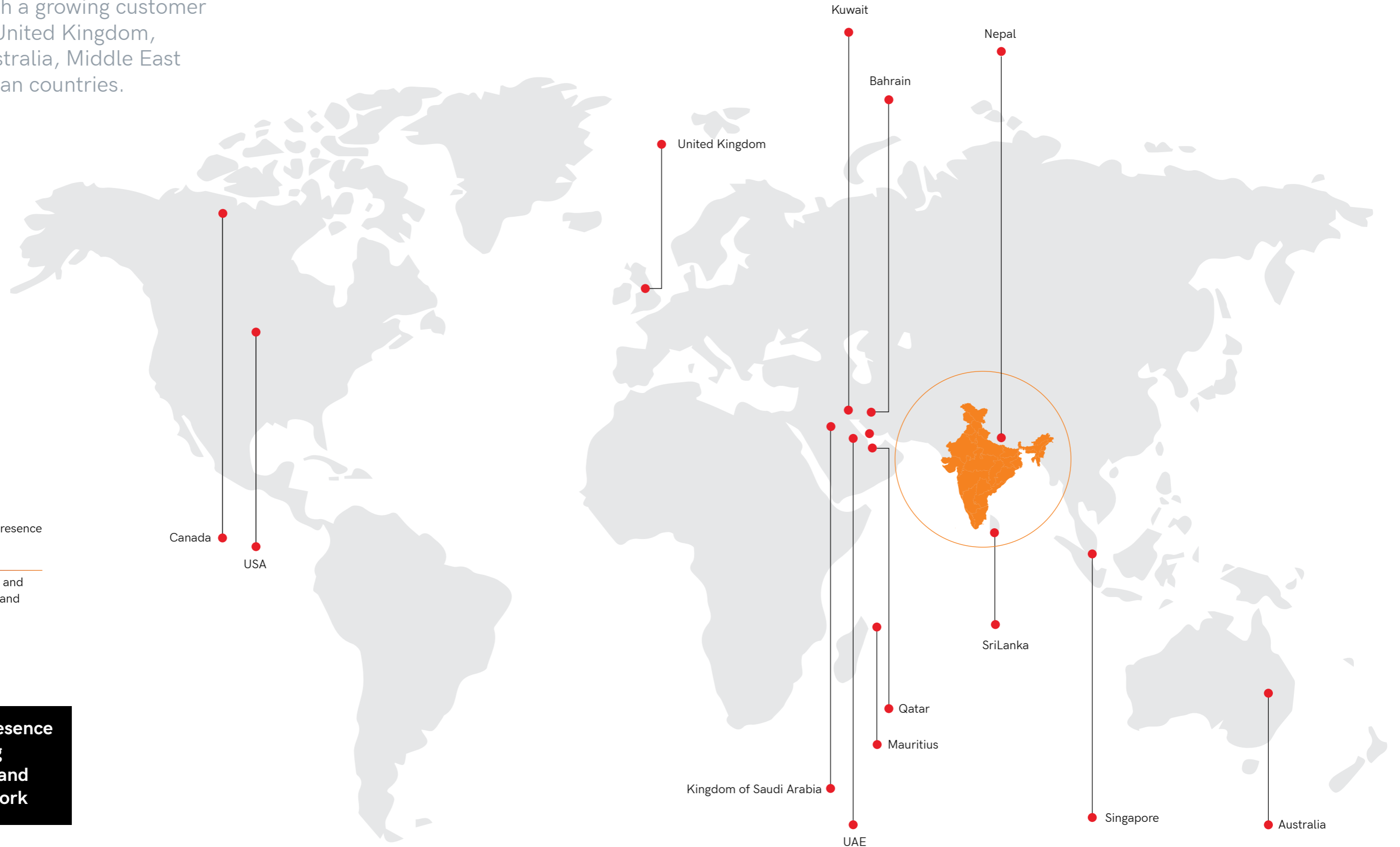
Retailer outlets

Strong E-commerce presence

**Top 3**

In mixers, wet grinder and gas stoves in Flipkart and Amazon

**Pan India presence with a strong distribution and service network**



## Chairman's message



**P. M. Murty**  
Chairman

**We have achieved remarkable financial performance. The Total Income increased from ₹959.86 crore in FY 2021-22 to ₹1,056.55 crore, showcasing a healthy growth.**

**Dear Shareholders,**

**FY 2023 has been a remarkable year of learning and growth for our Company. We have not only reinforced our market leadership, but also performed better than expected in the highly competitive kitchen appliances industry of South India. Leveraging a strategic approach, we have achieved optimal revenue growth, improved gross margin and enhanced profitability levels during the year under review.**

### Looking at the big picture

India has demonstrated resilient growth amid a challenging macro landscape characterised by geopolitical tension, supply chain disruptions and escalating commodity prices. This growth can be attributed to strong rural demand, enhanced government impetus and a surge in private sector investment. A notable catalyst for this expansion has been the introduction of the Production-Linked Incentive (PLI) scheme, which aims to make India self-reliant across sectors.

In this thriving environment, the kitchen appliances industry has experienced considerable growth. Consumers today prefer time-saving solutions and innovative cooking experiences. This coupled with a plenitude of factors, including rising disposable income, increasingly hectic schedules, rapid urbanisation and a burgeoning middle class, has fuelled this sector's expansion. The advent of smart home technologies and seamless connectivity has also been a key factor here, revolutionising not only the sector, but also the way we perceive kitchen appliances.

### Dynamic alliance for future growth

Through our proposed merger with Crompton Greaves Consumer Electricals Limited, we will embark on a transformative journey, achieving economies of scale by leveraging CGCEL's extensive geographical reach and diverse range of consumer appliance products. This will allow us to strengthen our go-to-market strategy, driving our growth nationwide and forging stronger connections with customers. Additionally, this collaboration offers us an opportunity to cross-sell our extensive product portfolio across various channels, reaffirming our market presence and serving consumers across India.

The combined entity will benefit from pooling of human capital, bringing together diverse skills, talent and vast experience to compete in an intensely competitive industry. This partnership will foster the values of innovation, creativity and collaboration, enabling us to drive future product innovation.

### Performance and operational highlights

Your company has achieved strong financial performance, with total revenue increasing from ₹959.86 crore in FY 2021-22 to ₹1,056.55 crore in FY 2022-23. Our Profit After Tax grew considerably, reaching ₹51.67 crore compared to ₹16.13 crore in the previous fiscal year. These robust results can be attributed to prudent cost optimisation measures and long-term strategies aimed at expanding our market outreach.

To strengthen operational efficiency, we focused on improving our Sales and Operations Planning (S&OP), New Product Development (NPD) and implemented initiatives such as 'Munntram'. Effective supplier management has also been instrumental in reducing costs and enhancing working capital optimisation.

To gain market share, we launched premium mixers that have contributed to our segment revenue. Looking ahead to the upcoming fiscal year 2023-24, we have exciting plans to further diversify our product offerings by expanding into other core categories. As modern trade and e-commerce are emerging as new growth avenues, we are also enhancing our digital presence and our partnerships in the online market. This will make us well-positioned to tap into a wider customer base and boost our sales volume.

Furthermore, I am delighted to share that our brand excellence has been acknowledged by the prestigious ET Brand Forum, which honoured us with the title of the 'Best South Brand.' This recognition reflects our commitment to delivering excellence and reinforces our position as one of the leading brands in the industry.

### Moving in the right direction

We have identified several growth drivers that will propel us towards achieving our goals and capturing new opportunities. Following this we have made significant strides in strengthening our position in the South

region, which includes improving our core categories and retail channel. By building on our existing strengths and the extensive presence of CGCEL nationwide, we are looking forward to expanding in other areas across the country.

In our pursuit of growth, we have invested in human capital, automation and new technologies for R&D. Also, we have focused on nurturing our talented workforce and embracing cutting-edge technologies, which will facilitate the development of innovative products and sustain our competitive edge.

### Building a responsible organisation

At Butterfly, our focus is not limited to product development and extends to conducting our business in a sustainable manner. For achieving our sustainability goals, we have implemented various targeted initiatives to optimise our energy consumption, minimise waste generation and adopt eco-friendly practices.

Being a responsible corporate citizen, we also prioritise the well-being and safety of our personnel. Apart from creating a conducive working environment for them, we provide our talent pool with growth opportunities that aid in aligning individual goals with organisational goals and fosters a culture of inclusivity and diversity.

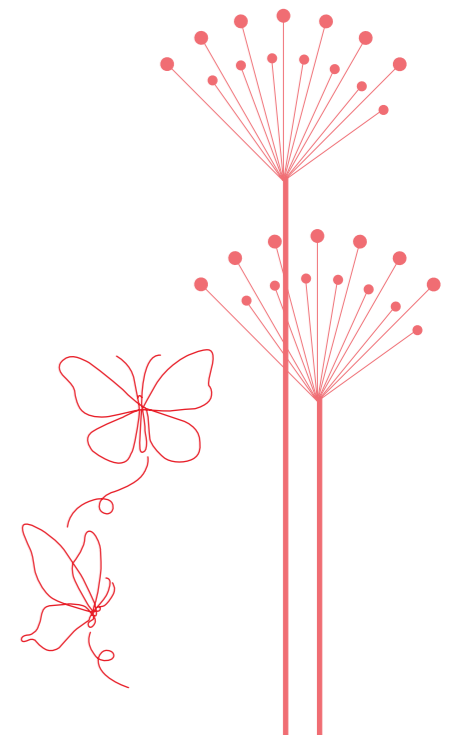
### Our way forward

At Butterfly, we believe that affordability, durability and high quality are the distinguishing characteristics that consumers associate with our brand. As we move forward, we will continue focusing on meeting consumer expectations by diversifying our product range and incorporating the best features available. In the years ahead, our objective is to position ourselves as a leader in the appliances industry.

In closing, I would like to extend my gratitude to our shareholders for their trust in our vision and capabilities as we embark on the next phase of growth for Butterfly.

Regards,

**P. M. Murty**  
Chairman



## Board of directors



**P. M. Murty**  
DIN: 00011179  
Independent Director

Mr. P. M. Murty joined the Board on April 1, 2022. He holds a Postgraduate Diploma in Management from the Indian Institute of Management, Calcutta. He has more than 40 years of deep experience working with Asian Paints Limited (APL), where he held various senior positions including that of Managing Director from 2009 to 2012. Mr. P. M. Murty is a recipient of the prestigious 'CEO of the Year' award by Business Standard (2009-10).



**Rangarajan Sriram**  
DIN: 09550640  
Managing Director

Mr. Rangarajan Sriram joined the Board on March 30, 2022. He holds a Diploma in Mechanical Engineering, a Bachelor's degree in Business Administration and a Post Graduate degree in Marketing from SCDL, Pune. He has over 26 years of rich and varied work experience and a deep understanding of the consumer durables space, having worked with Kores Ltd, Matsushita (Panasonic) and with Whirlpool, before joining Crompton Greaves Ltd., in 2012. Post the demerger of the consumer business from Crompton Greaves Ltd, Mr. Sriram was heading the Fans business of Crompton Greaves Consumer Electricals Limited since August, 2015.



**M. Padmanabhan**  
DIN: 00101997  
Independent Director

Mr. M. Padmanabhan, a Chartered Accountant by profession, joined the Board on January 30, 1999. He has a post-qualification experience of over 48 years in the field of Audit of Public Ltd companies as well as Nationalised / Scheduled Banks.



**A. Balasubramanian**  
DIN: 00490921  
Independent Director

Mr. A. Balasubramanian, a qualified Chartered Accountant, joined the Board on November 14, 2011. Mr. Balasubramanian started his career with Tata group of companies in Mumbai, where he had worked in Accounts and Finance, for about five years. Later he joined Punjab National Bank, New Delhi, where he had worked in different capacities before retirement as Chief General Manager. Mr. Balasubramanian's expertise lies in Accounts, Finance, Credit Administration, Risk Management and other areas of Banking.



**G. S. Samuel**  
DIN : 05284689  
Independent Director

Mr. G. S. Samuel joined the Board on May 11, 2012. He is a postgraduate in Economics with post PG research in Econometrics and PGDBA from LIBA, Chennai. He has over two decades of rich managerial experience in State Bank Group, including SBI CAP. He has also had a stint with leading Companies in Financial Advisory, Private Equity Placement, Capital Market Services, Debt Restructuring, JVs, Merger & Acquisitions, etc.



**T. R. Srinivasan**  
DIN: 00367302  
Independent Director

Mr. T. R. Srinivasan joined the Board on June 1, 2013. He has over 35 years of wide ranging experience in policy planning and implementation in sectors such as urban planning and development, forecasting food requirement, procurement, planning and development of industrial infrastructure. Mr. Srinivasan retired as Vice Chairman, Chennai Metropolitan Development Authority ("CMDA") in 2008.



**Maheshwari Mohan**  
DIN: 07156606  
Independent Director

Ms. Maheshwari Mohan joined the Board on March 31, 2015. She is a practising lawyer specialised in Civil, Corporate, IPR, and Family Law. She is also an academician teaching young lawyers and law students in legal drafting. She is the founder of Co-Draft Academy of Law.



**Smita Anand**  
DIN: 00059228  
Independent Director

Ms. Smita Anand joined the Board on April 1, 2022. She holds an MBA degree in Human Resources from Allahabad University. She has almost four decades of experience. Since 2016 she has been an Independent Leadership advisor & Executive coach. Prior, over two decades were in global management consulting and human resources firms. She has served as the Managing Director at KornFerry's Leadership & Talent Consulting India and as Asia head of Board/CEO Succession. She worked for almost a decade (2002-2011) at Aon Hewitt. Her last stint was as the Greater China Market leader based at Shanghai and then Regional Leader of Consulting for the Asia Pacific region. Earlier in her career, she held consulting roles at EY and at PwC, as Head of the Human Capital Services. She spent her initial career in internal HR roles in marquee Indian companies.



## Board of directors contd.



### Promeet Ghosh\*

DIN:05307658  
Non-Executive  
Non Independent Director

Mr. Promeet Ghosh joined the Board on May 12, 2023. He holds a Bachelor's degree in Engineering (Electrical & Electronics) from National Institute of Technology, Trichy and an MBA from Indian Institute of Management, Calcutta. He was an investment banker for two decades and has served as director on boards of various companies across sectors. He has worked with DSP Merrill Lynch for 18 years and helped build its M&A franchise. Thereafter, Mr. Ghosh was deputy head Temasek India, leading the team on the ground for nearly a decade. During his tenure, Temasek's direct India exposure grew significantly. After leaving his full-time role at Temasek in March 2022, he served as an advisor to Temasek until March 2023. He is passionate about sustainability transition. Currently, he is the Managing Director & CEO of Crompton Greaves Consumer Electricals Limited ("CGCEL").

\*Appointed as Non-Executive Non Independent Director w.e.f. May 12, 2023.  
#Resigned w.e.f. April 30, 2023.



### Shantanu Khosla

DIN: 00059877  
Non-Executive  
Non Independent Director

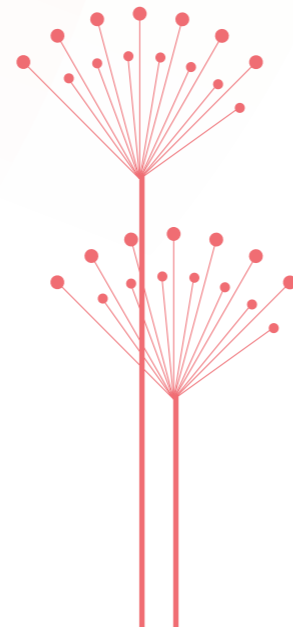
Mr. Shantanu Khosla joined the Board on March 30, 2022. He is a B. Tech. in Mechanical Engineering from IIT Mumbai, and also holds a Masters degree in Business Administration from IIM Calcutta. He is Executive Vice Chairman of Crompton Greaves Consumer Electricals Limited ("CGCEL") and brings with him a rich experience of managing consumer business across markets, product categories, functions, geographies and cultures. Prior to joining Crompton in July 2015, Mr. Khosla served as the MD & CEO of Procter & Gamble India. Mr. Khosla strongly believes in just a simple, threepronged mantra, "build the business, foster leaders, and grow sustainability."



### Mathew Job #

DIN: 02922413  
Non-Executive  
Non Independent Director

Mr. Mathew Job joined the Board on March 30, 2022. He holds a Bachelor's degree in Technology (Electrical and Electronics Engineering) from University of Kerala and PGDM from IIM, Calcutta. Prior to joining Crompton Greaves Consumer Electricals Limited, he served as the Managing Director of Racold (Ariston) Thermo Limited till September 2015 and earlier as Vice President and Managing Director of Grohe India Private Limited from November 2009 to January 2012.



## Unlocking new synergies of success

Our merger with Crompton Greaves Consumer Electricals Limited is expected to unlock significant potential through various revenue streams and cost synergies in the short to medium term. By implementing a faster go-to-market strategy, we strive to expand our reach across India and scale up

our capacity for product innovation. Additionally, the ability to cross-sell products across different channels and pool human capital with diverse skills will further enhance our growth prospects.

The corporate structure is also set to be simplified according to

the new arrangement and it is anticipated to provide a streamlined governance structure that will benefit all stakeholders. These enhanced capabilities are likely to position us as a leading player in the appliances segment, enhance our geographical reach and further strengthen our financial performance.



Industry leading margins with swift profit to cash flow conversion

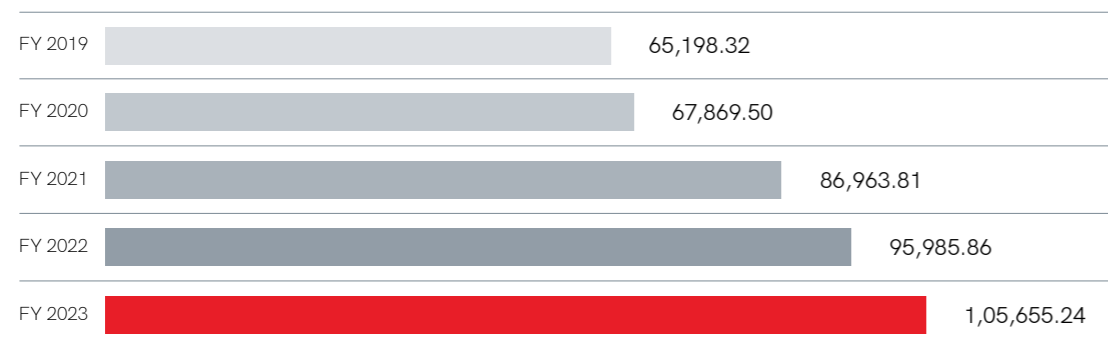
## Sustaining relentless growth

Our robust financial performance, with a track record of steady revenue growth and profitability enables us to strategically strengthen the foundation of the organisation. It drives product innovation through investments in research and development and empowers us to successfully undertake initiatives that assure our success in a dynamic environment.

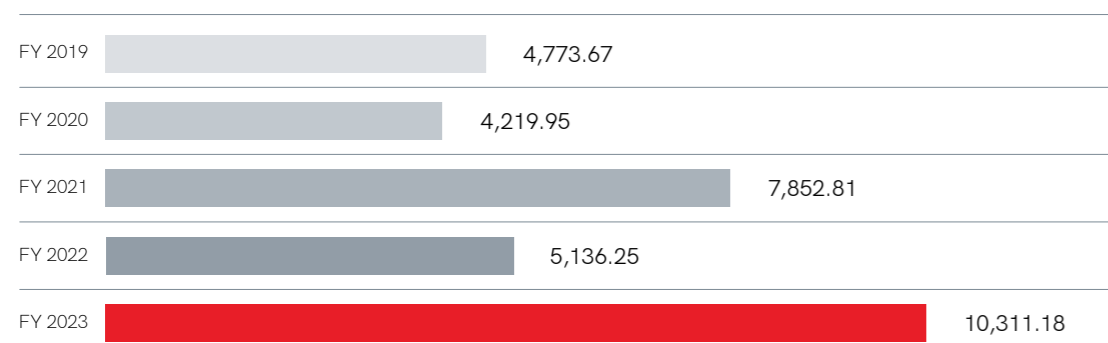
**80% revenue**

from products manufactured in-house

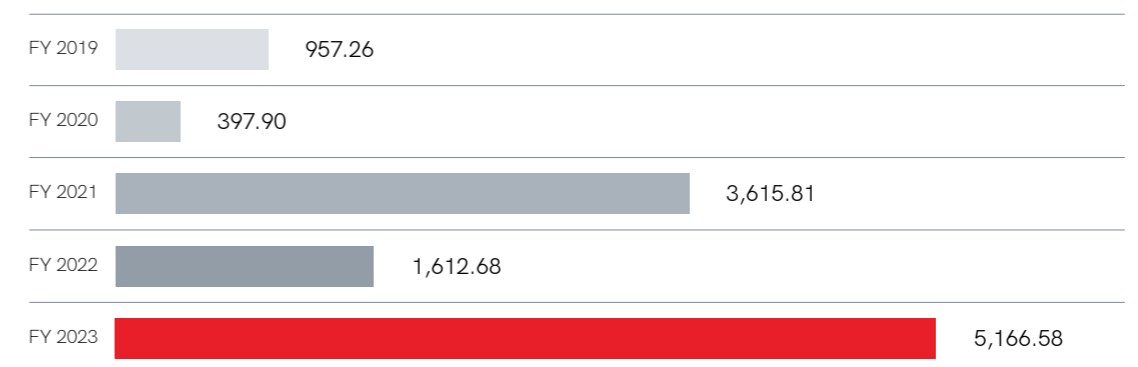
### Total Revenue (₹ in lakh)



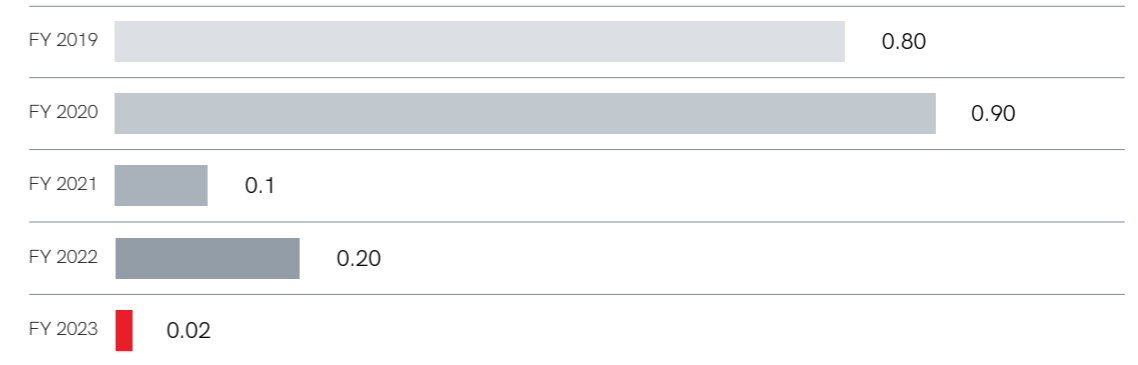
### EBITDA (₹ in lakh)



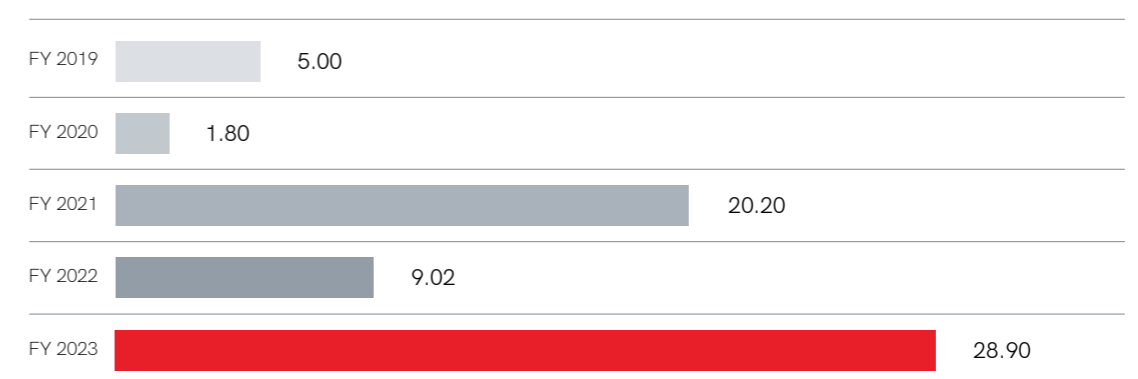
### Profit After Tax (₹ in lakh)



### Net Debt- Equity Ratio



### Earning Per Share (₹)



## Carrying forward a legacy of operational excellence

Leveraging our pan-India presence, a powerful distribution network and robust online presence, we continue to cater to the needs of diverse customers from all over the country.

We have always believed in the philosophy of self-reliance, long before the concepts of 'Atmanirbhar Bharat' and 'Make in India' gained momentum. It has enabled us to effectively cater to market demand and insulate ourselves from supply chain disruptions and quality shortfalls caused by import dependence.

Our multi-plant, state-of-the-art manufacturing units, dedicated R&D division, and in-house tooling, moulding and die making expertise offers us a competitive advantage. Moreover, we strive to comply with the highest safety standards and the resilience of our supply chain allows us to maintain consistency in product design and quality.



### Integrated Manufacturing

The demand for domestic kitchen appliances is estimated to grow exponentially due to the rapid rise in population and evolution of customer needs. As an integrated manufacturer of domestic appliances, we are well positioned to cater to a burgeoning market demand with on-time deliveries and products curated both for the Indian and global market. We are one of the largest manufacturers of household appliances in India and the first in the country to introduce Stainless Steel Pressure Cookers, fuel efficient Stainless Steel LPG Stoves and Vacuum Flasks with high heat retention properties.

### Quality

As one of the few integrated manufacturers of kitchen appliances in India, we boast of multiple production facilities equipped with indigenous capabilities and utilise SAP to add efficiency to our operations. Our stringent five-stage quality control system with ISO 9001:2015 certified Environment Management Systems enable adherence to the highest standards of manufacturing quality and allow us to support sustainable processes.



### Increasing Thermal Efficiency of Domestic LPG Stoves.

A major portion of the LPG used in India is being imported. It is, therefore, putting a hefty burden on our foreign exchange reserves. To tackle this issue, we have improved the thermal efficiency of domestic LPG stoves, from the mandatory 68% prescribed by the Indian Standard IS 4246: 2002. It is one of our major thrust areas for saving energy.

**>74%**

thermal efficiency achieved in three of the LPG Stove models. (As certified by LERC)



# Carrying forward a legacy of operational excellence

## Operational Excellence

Business focus and drives operational improvements, by identifying key areas of improvement to enhance productivity, reduce rejections, cost saving projects and implemented safety kaizens in structured way through operational excellence initiatives. The following key initiatives implemented to improve PQCDSM Metrics.

### Implementation of an automated polishing solution

Mixer Grinders -Jars are polished manually with high-speed polishing motors by skilled operators. To improve manpower productivity and reduce human intervention, Auto polishing machine was developed for JAR polishing especially for productivity increase and consistent quality. This machine was developed for polishing of both inner and outer surfaces of Jars. This equipment reduces manual dependency, deskill skillset, reduce human fatigue, eliminate risk and improve throughput efficiency.

### Automated ejection tool

In bulging process of SS Pressure Cooker, unloading of product found Unsafe condition due to existing design. New concept designed and developed for automated ejection in tool which automatically ejects the component after bulging process. It eliminates the need for manual unloading, reduces the risk of accidents and improves employee ergonomics.

## Enhancing efficiency with specialised tool

In the manufacturing process of SS Pressure cookers, the first draw lid and step forming were done separately with two different presses. It also required separate sets of manpower to complete this task. Hence Multistage combined tool introduced for both the drawing and step forming process. This improvement reduced one workstation, one Manpower and productivity increased by 2 times.

## Automated SS lid trimming machine

To address concerns of operator fatigue, unsafe condition, and frequent accidents during manual trimming of the SS Pressure cookers, Designed and Developed an automated SS lid trimming machine with two workstations. This equipment reduces manpower, improve consistent quality, improves safety by reducing the risk of accidents and minimizes operator fatigue.

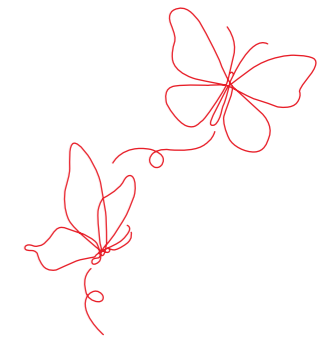
## Technology improvement

In injection molding process, Molds are designed with cold runner system ( CRS) in which runner materials are scrapped and moved for crushing . To eliminate the runner wastage, new technology adopted in mold design by introducing Hot runner system (HRS) results in zero wastage of runner material. Implemented for 4 models and horizontal deployment planned for other models FY24.

## Eliminating hazardous operations

Introduced wire harness and self-bonding machines to eliminate hazardous operations such as soldering and coil varnishing. This improvement increases productivity, reduced process rejections and Hazardous.

As a part of operational excellence initiative, Motor manufacturing shop plant layout modified which results in productivity increase , one piece flow , linear work flow with minimal material movement.

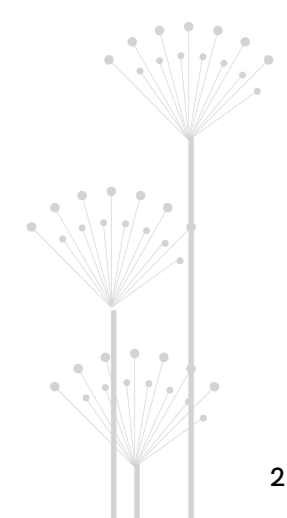


**10%**  
increase in productivity

**15% to 4%**  
Reduction in process rejections

### Improvement of polishing process

In polishing of Aluminum pressure cooker, More manpower used for emery polishing and often resulted in ergonomics, unsafe condition and frequent injuries . In order to improve this process and workplace, Automated emery polishing machine established for inner polishing ,results in manpower reduction and reduces risk in work place.



## Our pursuit of innovation

Resting on our innovative approach, we remain motivated to introduce new and breakthrough products to the market at regular intervals. With over five decades of expertise and a dedicated R&D team, we are constantly aligning ourselves with changing customer preferences. Along with the launch of fresh ranges of innovative products, we continue to improve the functional and aesthetic properties of a large number of products across our portfolio.



### Robust R&D

With a dedicated R&D wing at the forefront, we follow an innovation-led and customer centric approach to product development. It enables us to manufacture a majority of our products in house. It also allows us to stay ahead of the curve and provide customers with the most advanced and useful kitchen appliances.

**80%**

of our products are manufactured in-house

### Consistent innovations

With rapid shifts in technological advancement and continuous changes in customer preferences, it has become imperative to innovate new and efficient products that add convenience to busy lives. To keep up with these trends, we rely on new-age technology and an expert team of professionals to design and develop products that meet the dual requirements of functionality and ease of use. As a result, we are introducing smart kitchen products and constantly revamping our portfolio to fulfil customer expectations for performance and durability of products.

**We have a 25 + acre campus with an integrated manufacturing facility located in a sustainable environment.**

### New Product launches

Prioritising consumer needs, the fiscal year started with a slew of new product launches.

#### Matchless - 4B



- Removable silicon pad for placing spoons ladles
- Side grip holder for easy handling
- Scratch proof enameled pan support
- Detachable SS Spill tray

#### DLX 100-74% for IOCL

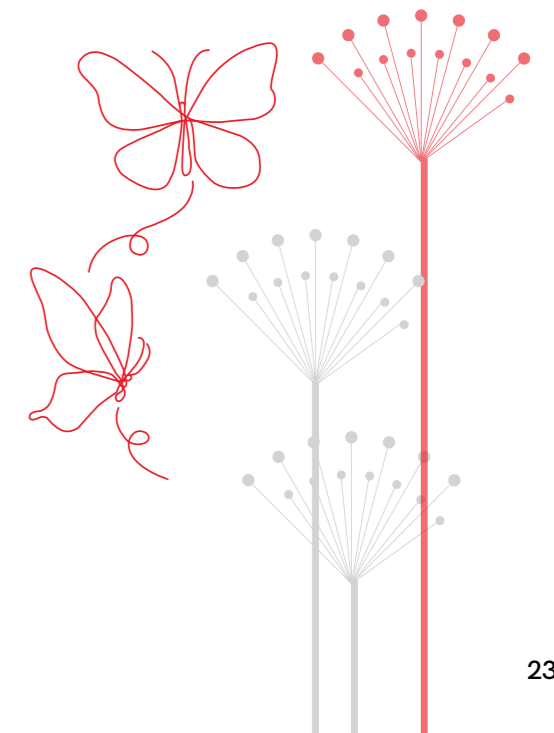


- Assured High Thermal Efficiency-74%
- SS Pan Stand

#### ECO Water bottle-1000ml



- High quality SS
- Leak proof and easy to pour
- Hassle-free maintenance, remains clean and rust proof
- Convenient size fits in the side pocket of school, trekking and office bag



## Our pursuit of innovation

**Speedy 4J**



- 750 W Powerful Motor
- 4 Jars for varied Purpose
- High Capacity Jars
- Wide Lock Mechanism

**Pestel 3J/4J**



- 750 W powerful motor
- 3/4 Jars with Juicer
- High Capacity Jars
- Wide Lock Mechanism

**Magnum 3J/4J**



- 1.2 Hp powerful Motor
- 100 % Copper Motor
- 3/4 Jars for Varied Purpose
- Hands free Jars
- Wide Lock Mechanism
- Center Pulse Button

**Arrow Pro Blend**



- 500 W powerful motor
- 2 ss Jars & 2 Nutri Blender Jars for grinding & Blending
- Blender with Sipper for Instant Juicing

**Elektra**



- 1 Hp powerful Motor
- Exclusive Speed for Food Processing Operations
- Hands free Jars
- Wide Lock Mechanism
- 9 Food Processing attachments

**110V Matchless**



- 110 V for US & Canada Customers
- 3 Jars for varied Purpose
- Led indicator for ON / Off

**Gallant 3J**



- 750 W powerful motor
- 3 Jars for varied Purpose High Capacity
- Wide Lock Mechanism

**Chakra Eco Pro**



- 500 W powerful motor
- 2 SS Jars for varied Purpose
- Atta kneader and Chopper for instant food Processing

Some of the most important launches this year have been Pestle, Magnum, Arrow Pro Blend, Speedy, Chakra Pro & Elektra in the Mixer Grinder segments. These products address the biggest consumer demand in this segment - **'Best-in-class grinding'**.

In the Pressure Cooker segment, we launched Tez, Butterfly's signature Triply series. Tez offers consumers **'Faster Cooking which is also Healthy'**.

### Projects Launched Apr'22 - Mar'23

Launched  
**15**  
new products

**9**  
Mixer Grinder

**4**  
LPG

**1**  
Table top Wet Grinder

**1**  
Water bottles

## Reaching further, nurturing a stronger brand

The 'Butterfly' brand has cemented its footing as a preferred choice of diverse customers. Resting on our agile brand building efforts and customer-centric marketing campaigns, we strive to enhance our reach further while nurturing our brand recall and value.

With a constant focus on understanding consumer needs, we are moulding our products to adapt to changing customer requirements. Keeping convenience, connectedness and customisation at the core of our

marketing strategy, we aspire to offer customers innovative products that create brand loyalty. We are also developing a robust digital presence to tap into markets in different parts of the country.

### Effective brand building

We make use of a perfect blend of ATL, BTL and digital medium to communicate our marketing strategies and brand building initiatives. To easily reach a larger customer base, we developed targeted campaigns for TV channels, newspapers, OOH, radio, cinema and social media. Specific offers were also given based on the interest and preferences of different consumer segments.

### Developing brand salience

With customised marketing plans, we were able to maintain our brand salience in targeted markets and improved our SOV during seasonal campaigns. During the year, we also utilised POS material, hoardings, innovative store branding methods, different types of product displays for new product launches and festival offers in multiple retail outlets. It helped to improve our visibility and considerably impacted last mile sales conversions.



### Focus on digital marketing

With the growing prominence of digital media and the usage of social media among new-age consumers, we have leveraged platforms such as YouTube, Facebook, and Instagram to initiate digital marketing campaigns. Innovative and user-friendly content was published for our target audience to improve our digital footprint and engage with users. We also ran digital campaigns during the festive season, uploaded product videos for two new launches and published multiple recipe videos on our social media channels.



### Onam Campaign

For Onam, we developed extensive advertisement campaigns for television, newspaper, outdoor advertisements and digital medium to deliver product information and advertise special offers during the occasion. With this campaign, we have achieved 15% SOV in Kerala.



#### Campaign Highlights:

- Advertised products on **top shows** across genres
- **100%** spots utilised for hoardings
- **Logo used** for all Impact property associations
- **93%** Gross Rating Point (GRP)
- **Maximised** visibility
- Achieved **74 million** impressions, **14 million** video views and **1.07 lakh** website visits through digital campaigns

### Diwali Campaign

For one of the biggest festivals in India we had planned an extensive campaign with a complete 360 degree approach for promoting key products such as the Elektra Food processor. We activated TV, print, outdoor, cinema, radio and digital campaigns in Andhra Pradesh (AP), Tamil Nadu (TN), Karnataka (KA) and few other cities in Eastern and Western India. With this campaign, we activated high impact properties across all mediums and achieved 33% SOV in AP, 26% SOV in TN and 40% SOV in KA.



#### Campaign Highlights:

- Presence in **top GECs** and top programmes in **core PT**
- Presence in **High Impact** properties including **Festive** Specials
- Presence in **top** movie, music, news, comedy and other channels
- Presence in **top** theatres
- **100% PT** presence across Music, Comedy and News genres
- **Sponsorship + Value Ads** (including Non FCT) across all channels.
- Achieved **170 million** impressions, **74 million** video views and 1.6 million clicks on digital campaigns
- Put up **300** hoardings across cities.
- Targeted high value movie launches in theatres
- Products and offers displayed in theatres across cities

## Fostering steady progress through talent and teamwork

We consider our people valued assets that are integral to our success. Our progressive people policy embeds core values of trust, transparency, honesty, sincerity and accountability to foster a conducive working environment that is ideal for personal as well as professional growth. We strive to nurture an inclusive work culture that respects every individual and provides equal opportunity.



Our diverse workforce includes a significant percentage of women from semi-urban neighbourhoods near our manufacturing plants. It has not only opened livelihood opportunities for numerous women but, has also resulted in social change and upliftment of marginalised communities.

With the merger of Butterfly with Crompton, the combined strengths of our workforce provides us new synergies to enhance capabilities and benefit from the expertise of cross-functional teams. It also prepares us for significant achievements in the years ahead.

**Reduction of accidents and safety issues through emphasis on health and safety policies**

**Introduced new employee benefit and wellness programmes**

### Employee welfare

We recognise the value of our employees and undertake several measures to ensure their well-being. To foster healthy relation between teams, regular communication with employees are maintained through town hall meetings and shop floor visits. We consider employee welfare and safety an integral part of our people policy and strive to facilitate a cohesive and collaborative working environment.

### Upskilling our workforce

We strongly believe that people are pivotal for building a great organisation. To unlock the potential of each individual, it is essential to foster a culture of continuous learning. We provide employees opportunities for growth and career advancement through training platforms, skill development programmes, capability building workshops and merit based remuneration and role upgradation. Hence, various programmes were rolled out during the year to accelerate the migration to a digitally driven ecosystem and build a future-ready workforce. We continued to set record levels of productivity and performance with resilient, goal-driven teams that are determined to aspire for greater goals.

**2.71 Hours**

Of average employee training

### Emphasis on safety and environmental policies

We are committed to ensure the safety of our people and have implemented a number of initiatives to minimise injuries at the workplace and promote safety awareness. We have a comprehensive incident and injury reporting and tracking system. It allows us to identify issues and devise mitigation plans that help to prevent incidents in future. We also have a safety committee that includes representatives from all functional areas of the Company. The committee meets regularly to review safety performance, identify opportunities for improvement, and develop action plans.

At Butterfly, we are aware of our responsibility towards the environment and have an online monitoring system for water management to ensure compliance with PCB regulations at our unit 5 facility.

**42.3%**

Reduction in injuries

**59%**

Increase in injury-free days

**100%**

PCB statutory compliance for bakelite and plastic waste disposal (environmental compliance)

-  Monthly safety review meetings
-  Injury-free day celebrations
-  Safety awareness at all levels
-  Training on industrial safety, personal protective equipment, and workplace improvement
-  Behaviour-based safety training programme
-  Permit to work system
-  Leadership safety walk at shop floor
-  Events to promote safety awareness among people

### Employee engagement

Employee engagement is a vital aspect of our company as it impacts employee productivity, retention, and overall success. To effectively engage our employees, we recognise important milestones such as birthdays and work anniversaries, offer opportunities for informal learning and skill development, and actively involve our staff in decision-making processes. By prioritising employee engagement initiatives, we aim to foster a culture of inclusivity and promote a sense of community and belonging among our workforce.



## Committed to delighting customers

Our emphasis on prioritising customer concerns keeps us connected to the consumers. We believe in developing lasting relationships and strive to address issues with utmost care. Consumers can easily get in touch with us through an exclusive Customer Care and WhatsApp number to receive after sales support. With over 280 service centres and over 700 trained service technicians across India, we are determined to live up to customer expectations.

Our tireless efforts have resulted in improved tracking and resolution of all customer complaints. Our Service Providers/Agents/Technicians promptly respond to all complaints within stipulated timeframes.

**81%**

Current Turnaround time for One Day Customer Complaint Resolution

**96%**

Net Promoter Score (NPS)

**92%**

Customer Satisfaction Index (CSI)

**90%**

of customers are satisfied with Quality of service & Products.

In our on-going effort to provide superior service, we regularly **conduct free service campaigns** to address customer issues and educate them on the importance of product maintenance. Through continuous review and training on best practices in industry we have ensured that all employees improve their customer service skills. We also collect NCC and Service Excellence Certificate from Direct Customers on a quarterly basis.

### System Enhancement

We Implemented **Serial Number Validation** processes for Warranty Control and product traceability through the customer profile. It helps to easily investigate and analyse product quality failure. **Geo Fencing** technology has been implemented to trace the technician's 'Entry' & 'Exit' times to customer locations through GPS signals. It ensures credibility of services and efficient resolution of grievances.

### Process Enhancement

To efficiently manage the return of damaged, defective or recalled stock (good/defective) at Unit-2, we implemented a **Defective Returns Management** process to simplify operations and minimise costs. To make people on the field aware of the importance of updating accurate and complete information in the CRM / Mobile application and to control

revenue drainage against ASC pay-out, we implemented the **Call Closure Audit** which has enhanced the overall effectiveness of the system.

### Best Practices

**With our commitment to improving efficiency and meeting customer needs, we continue to focus on dealer retention by building stronger relations with dealer. A comprehensive plan has been devised to improve the availability of spare parts and we have created an efficient arrangement for conducting regular field visits.**

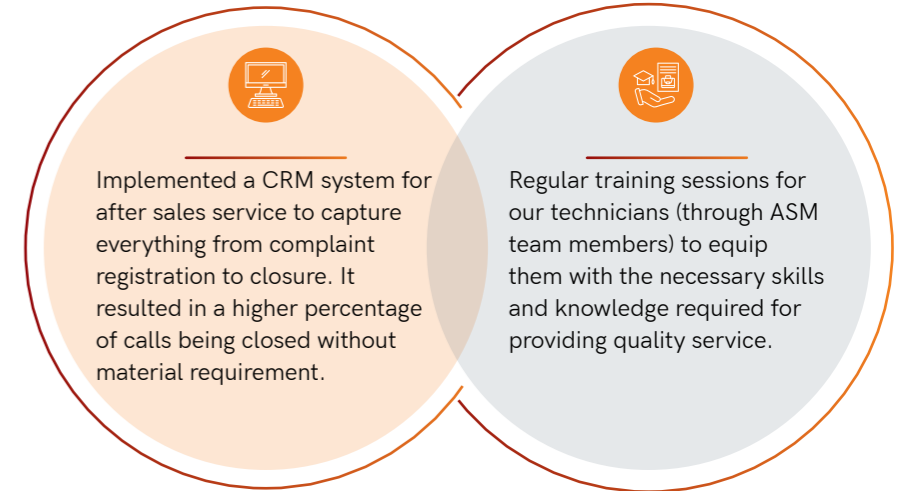
### Plans for Improvement

We have implemented several initiatives to improve our service performance and competitiveness in the market. To ensure customer satisfaction, we have set up a training academy and modules for internal as well as external employees. Furthermore, we are planning to implement a hassle-free complaint registration process through a WhatsApp chat bot for consumers and customers, making it easier for them to register complaints and receive timely resolutions. We also plan to manage dealers on a digital platform to ensure streamlined operations. Finally, we aim to launch a quality feedback module on our CRM platform to address product failures in the field and ensure improvements within stipulated timeframes.

### After Sales

We take great pride in providing exceptional after sales services to our customers. We understand that our relationship with our customers does not end with the sale of a product. Our team is dedicated to offer the best possible support and assistance throughout their association with us.

We have implemented various measures to optimise our after sales services, including KPIs for individual performance tracking, system enhancements at every level, and centralised component delivery. We have also identified key areas with opportunities for improvement in after sales services.



Implemented a CRM system for after sales service to capture everything from complaint registration to closure. It resulted in a higher percentage of calls being closed without material requirement.

Regular training sessions for our technicians (through ASM team members) to equip them with the necessary skills and knowledge required for providing quality service.

### Future Highlights

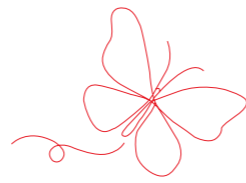
- Working on integrating policies to implement online resolution of consumer complaints as a future strategy for reducing lead times.
- Planning to increase sample size of outbound calling and organise free service camps from April to receive customer feedback from each branch.
- Committed to introduce a new chat bot by the first quarter of this Financial Year as part of our digital strategy.

**Our goal is to provide prompt and efficient service to all our customers, and we are committed to continuously improving our processes to achieve this goal.**



## Momentous achievements

We have been honoured with awards and our performance has been acknowledged by the industry on several occasions. It not only reiterates our commitment to excellence but, also empowers us to live up to stakeholder expectations.



### E4M - PRIDE OF INDIA AWARDS

In August 2022 Exchange 4 Media organized the Pride of India Awards recognizing the Top 50 Brands of Southern India. The award celebrated, recognized and rewarded India's most loved, home-grown brands. These Brands are invested in India's future and are shaping its growth story and

have built their business over the years and transformed themselves through innovation. These are the Brands that India is proud to show off to the world.

The awards shone a spotlight on the wide scope of talent, creativity and entrepreneurship across the South region of India. The awards were given to the brands which have

demonstrated leadership, strategic accomplishments, creativity and constant innovation in their product, processes and marketing practices.

Butterfly Gandhimathi Appliances Ltd ("Butterfly") won the award for the **Best Brand in the Kitchen Appliances Category** and **Mr. R. Sriram, MD** accepted the award on behalf of Butterfly.



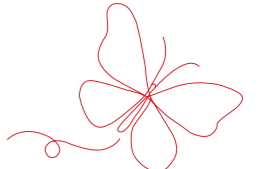
### BIS - ALL INDIA FIRST LICENCE AWARDS

The Bureau of Indian Standards (BIS) is a statutory body functioning under the aegis of Ministry of Consumer Affairs, Food and Public Distribution, Government of India. It operates various schemes like Conformity Assessment - Product Certification

(ISI mark) Registration for Electronic goods, Hallmarking of Gold and Silver Jewellery / Artefacts and Management Systems Certification, and Laboratory Services for the benefit of the industry and in turn aiming at consumer protection.

In a recently concluded award ceremony arranged by BIS, companies

were recognized with awards for All-India First Licence for the product. Butterfly Gandhimathi Appliances Ltd. Bagged the award for the same under the category "**Stainless Steel Vacuum Flasks (IS17526: 2021)**". Mr. Rangarajan Sriram, MD along with the R&D and Quality Teams received the award on behalf of Butterfly Gandhimathi Appliances Ltd.



### PERSONNEL PARTICIPATION - INDUSTRY RECOGNITION

Recently, **Mr. Gary Mathapati**, CIO, Butterfly Gandhimathi Appliances Limited - had the honor of being a panellist on the "**Experience Makers**" show of **CNBC TV**, where he participated in an insightful discussion on driving ROI through personalization and customer-centricity. He shared his enriching

experience and insights on leveraging personalization and customer-centricity to drive ROI. Gary firmly believes that in today's competitive business landscape, achieving long-term success requires mastering the art of balancing customer experience investments.

During the discussion, he also emphasized the fundamental pillars of building a customer-centric approach

in this digital age, highlighting why a customer-centric approach is a powerful game changer that can positively impact a business's top and bottom line. Furthermore, he shared strategies on how businesses can build stronger relationships with their customers, drive customer satisfaction and loyalty, and ultimately increase ROI.



## Leading with transparency, integrity and honesty

We at Butterfly, embody a corporate governance framework anchored in the fundamental values of transparency, integrity, honesty, accountability and compliance with laws. We recognize the significance of our stakeholders as indispensable partners in our pursuit of success and remain dedicated to maximizing value for our shareholders.

Continuously striving to enhance transparency and efficiency across our business segments, we proactively review and strengthen our systems and processes. Our commitment to corporate citizenship is underscored by our philosophy, which guides us in carrying out socially beneficial activities and projects for the betterment and sustainable development of the wider community. We ensure that our values and goals align with the creation of shareholder value and growth, upholding sound principles of Corporate Governance in all aspects of our operations.



### Corporate governance framework

Our corporate governance framework positions the Board as the central force in our management approach, with a key role in shaping strategy and considering external factors and stakeholder needs. Supported by committees such as Audit, Risk and Nomination and Remuneration, the Board promotes prudent management practices to create long-term value for all stakeholders. We prioritize keeping the Board well-informed about vital developments, including regulations, CSR initiatives, strategy updates, and sustainability matters.

### Code of conduct

Upholding ethical standards is a top priority for us, as stated in our Code of Conduct. We value honesty and abide by the laws and regulations of the land. This culture of lawfulness guides informed decision-making, even in situations where there are no specific legal rules or where interpretation is required. We are committed to adhering to the applicable regulatory framework governing its business performance with discipline. The purpose of this code is to achieve consistent perspectives and foster optimum performance across all functions. The code applies to all employees, regardless of their experience level, and aims to promote the principles that we stand for.

### Whistle Blower Policy/Vigil Mechanism

Our company has implemented a Whistleblower Policy/Vigil Mechanism to provide a platform for directors and employees to report genuine concerns related to unethical behaviour, fraud, violation of the Code of Conduct or ethics policy, or any other improper activities. This mechanism ensures that individuals can approach the Chairman

of the Audit Committee of the Board to express their concerns, including incidents such as misrepresentation of accounts, leak or suspected leak of unpublished price-sensitive information, or misuse of accounting policies and procedures. We are committed to upholding the highest standards of ethical, moral, and legal conduct, and we encourage employees to come forward with genuine concerns without fear of punishment

or unfair treatment. To strengthen the Whistleblower Mechanism, we have implemented quarterly communication from the Group HR to increase employee awareness, prominently displayed reporting contact information in office and plant locations, and provided awareness training to new employees during their induction process.

### Policies\*

Our policies provide employees and stakeholders with clear principles and standards, serving as a decision-making framework that promotes consistency and fairness in operations. These well-communicated policies contribute to the development of a positive business culture. To ensure ethical and transparent conduct, the Board has established and implemented well-defined codes, policies, charters and practices throughout the organization.



\*<https://www.butterflyindia.com/investor-relations/#policies>

# Leading with transparency, integrity and honesty

## Board of Directors

We have adopted the policy on appointment and evaluation of the Board of Directors and Senior Management to ensure an optimum and balanced composition of the Board. This policy aims to benefit from fresh perspectives, new ideas, and broad experience. Our Board Members come from diverse backgrounds with

expertise in critical areas such as manufacturing, global finance, taxation, banking, legal, entrepreneurship, and general management. Many of them have held senior management positions, providing a deep understanding of the global business environment. The Board periodically reviews its strength and composition to ensure alignment with statutory and business requirements.

## Board Meeting attendance

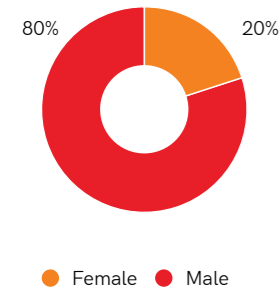
For F.Y. 2022-23, the directors achieved a

**92.94%**

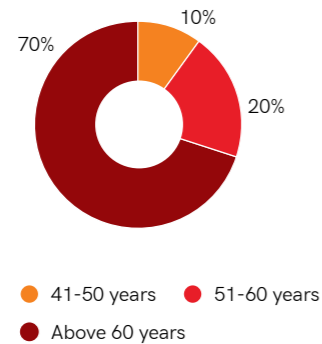
level of attendance at Board meetings

## Board diversity by

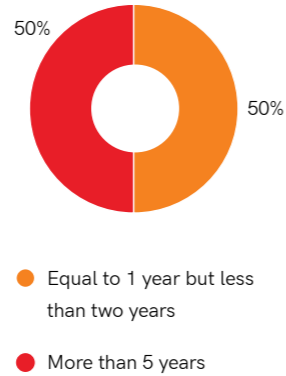
### Gender



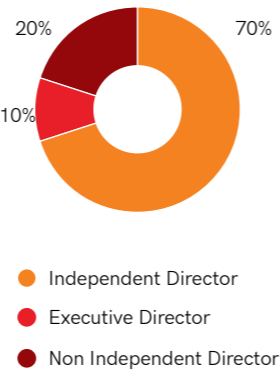
### Age



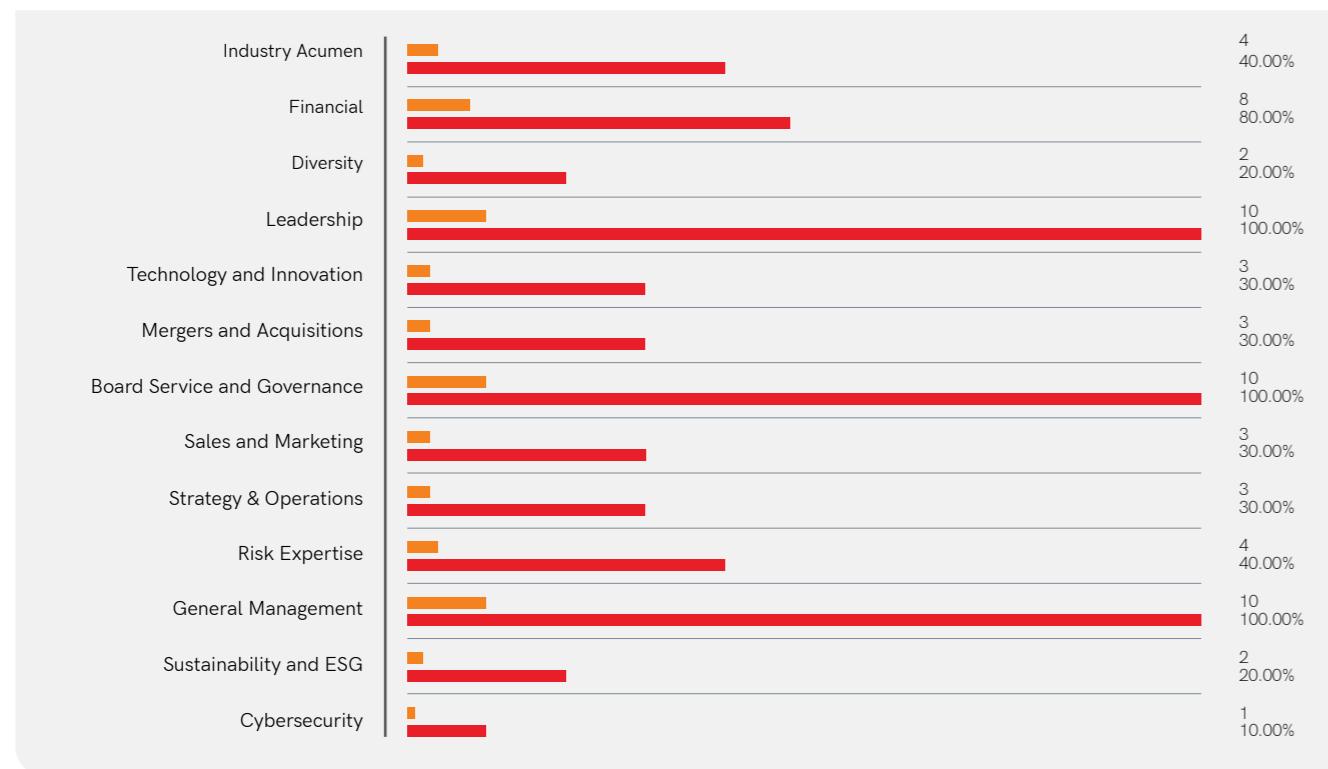
### Tenure



### Independence Director's



## Key professional skills of our Directors



## Committees of the Board of Directors



**P. M. Murty**  
Chairman,  
Independent Director



**A. Balasubramanian**  
Non-Executive  
Independent Director



**Rangarajan Sriram**  
Managing Director



**Shantanu Khosla**  
Non Executive  
Non Independent Director



**Mathew Job\***  
Non Executive  
Non Independent Director



**Smita Anand**  
Non-Executive  
Independent Director



**M. Padmanabhan**  
Non-Executive  
Independent Director



**T. R. Srinivasan**  
Non-Executive  
Independent Director



**G. S. Samuel**  
Non-Executive  
Independent Director



**Maheshwari Mohan**  
Non-Executive  
Independent Director



**Promeet Ghosh#**  
Non-Executive  
Non Independent Director

\*resigned w.e.f. April 30, 2023  
#appointed w.e.f May 12, 2023

Committees	Chairperson	Member
Audit Committee	●	●
Nomination and Remuneration Committee	●	●
Stakeholders Relationship Committee	●	●

Committees	Chairperson	Member
Share Transfer Committee	●	●
Risk management committee	●	●
Corporate social responsibility committee	●	●

## Mitigating threats proactively

Effective risk management has become a critical component of organisational success in today's complex and dynamic business environment. It involves the continuous and consistent assessment, mitigation, monitoring, and reporting of risk issues across the entire enterprise. A well-defined methodology for determining corporate direction and objectives is essential to achieve this.

This enables organisations to adopt an enterprise-wide and comprehensive view of risk management, addressing risks inherent to strategy, operations, finance, and compliance. By implementing a robust risk management process, organisations can proactively identify and mitigate potential threats, while capitalising on opportunities, thus ensuring sustainable growth and resilience in the face of uncertainty.



### Risk mitigation

To mitigate various business risks and ensure uninterrupted operations without jeopardizing the well-being of individuals and assets, we employ a proactive approach. Through periodic evaluations and reviews, we identify potential risks at an early stage and develop tailored strategies in response to evolving market conditions. By combining the efforts of the Audit Committee and Management, a comprehensive risk management framework is established. Mitigation measures are implemented to minimize risks to the extent reasonably practicable, encompassing a range of strategies such as implementing robust internal controls, conducting thorough risk assessments, implementing contingency plans, fostering a culture of safety and compliance, investing in advanced security systems, and maintaining open channels of communication to swiftly address emerging risks. By adopting the following mitigation strategies, we aim to safeguard our operations, people, and property, ensuring sustainable growth in an ever-changing business landscape.

The risk management process can be summarised into four stages or steps:



# Mitigating threats proactively

Broadly, key risks identified by the management cover potential risks related to Regulatory Compliance, Product, Brand, Supply, Competition, Culture, Human Resources, and Information technology. Some of the identified key potential risks and ongoing mitigation actions are summarized below:

## Regulatory Compliance

**Risk:**  
Absence of Compliance tracker/monitoring mechanism to assure completeness and effectiveness of adherence to all applicable Statutes.

- Mitigation**
- Conducted comprehensive assessment of key Statutes applicable and steps taken to address gaps.
  - Initiated Compliance tracker comprising relevant Central and State Acts updated by respective Function heads on timely adherence.
  - Introduction to Online Compliance Tool planned by end of FY24.

- Emergency Response team created with defined Roles and Responsibilities in case of a crisis in Factories.
- Electrical and Fire Safety audits were conducted and critical observations were addressed.

**Risk:**  
Absence of EHS policy and non-adherence to EHS regulations

Non-adherence to hazardous waste storage/disposal norms.

- Mitigation**
- Comprehensive EHS Policy is adopted
  - Compliances to applicable new EPR Regulations in progress - Hazardous waste generation at the plant is segregated properly and disposed of through an authorized agency.
  - PCB approvals are in place with updated metrics in terms of production and waste generation.
  - Steps are taken towards the Reduction/Elimination of Hazardous materials/processes in operations.

## EHS Governance

**Risk:**  
Lack of Safe work culture/operations

- Mitigation**
- Initiated a focused drive to imbibe safety culture across work areas through expert Safety officers and Safety champions.
  - Safety awareness sessions across plants, emphasizing behaviours-based safety
  - Leadership safety walk**
  - Safety promotional events**
  - Safety Displays- Safety Cross Board,**
  - Posters, Safety slogans**
  - Injury-free days (Green days)**
  - Celebrations and recognition**
- Expert talks and co-staff engaging communications.
- Weekly safety review with leadership and dept heads, on reportable/non-reportable and near miss instances, to root cause and monitor actions taken.
  - Reportable injuries - NIL in Q4'23 and non-reportable reduced by 50% by FY23 end.

## Product Risk - Innovation

**Risk:**  
Innovation not in line with market/consumer needs/emerging technologies

The slow pace in converting ideas into development and delays in product launch led to disruption by competition.

- Mitigation**
- 1st phase - Assessing Consumer needs and Defining the NPD plan**
- Extensive Market research conducted in Q3'23 to understand consumer needs.
  - Market/consumer insights and workshop conducted in Dec23, to define the broader framework for Product Innovation.

- Consumer needs identified in terms of Convenience, Health and Wellness, Aesthetics and Value.
- Calendarized NPD lined up for 1 year, basis the research.
- Weekly CFT review on New product development to monitor progress, and assess and address delays.
- Feasibility study on Volumes and Margins conducted to ensure ROI before project commitment.
- NPD Process definition with stage gate, initiated.
- Functional capability building within Marketing and Design is in progress.

## Product Risk - Quality

**Risk:**  
Inadequate capability and process in quality assurance and controls.

Absence of structured scorecard and monitoring mechanism on quality inspection process - Inward to final product delivery.

- Mitigation**
- Quality team is being strengthened to lead the quality Process and Assurance controls.
  - Base Quality scorecard defined and implemented, to capture basic parameters of IQC, PQR, PDI, CAPA, SQP, NPD Complaints etc.
  - Targets set to minimize the cost of Poor quality with positive trends across product categories basis root causes and actions taken on major defect returns.
  - Steps initiated to strengthen Supplier and Vendor quality audit approach with metrics to secure quality products, without compromising on brand reputation and cost.
  - Robust vendor/supplier evaluation and quality control parameters are to be defined for further adoption and consistent implementation across Suppliers/vendors.

## Supply Risk

**Risk:**  
Potential leakages and wastages due to inefficient buying, including Single sourcing - cost, payment terms, quality etc, causing contract termination

Inconsistent share of business with no defined parameters

Inadequate vendor evaluation process

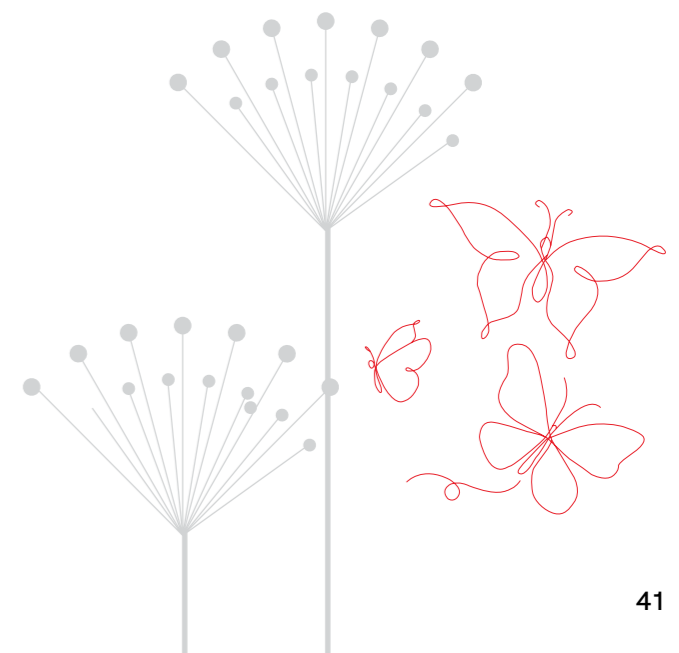
- Mitigation**
- Process**
- Defined and established processes for Vendor/Supplier Identification, Qualification, and Onboarding.

- Cost Benchmarking**
- Induction of alternate vendors for FG and RM, with effective purchase terms through continuous cost benchmarking- Ongoing, with savings of ₹ 1.50 crore in the previous FY.

- Revisiting contract terms and negotiation to ensure competitive costing/terms, by raising RFQs.

- Single Source Supplies and Share of Business**
- Alternate vendor development and structured share of business implemented for high-value procurement (except Stee).

- Vendor Evaluation**
- Evaluation of key Vendor/supplier network in progress, in terms of Cost, Quality, Capacity and Compliance.



# Mitigating threats proactively

**Disruption Risk**

**Risk:**

The concentration of business is in limited geography and few alternate channels, with strong competition at all product levels.

Post covid scenario - adverse impact on online consumer traffic/sales.

Absence of robust guiding principles on Pricing strategy and benchmarking, impacting competitive pricing and margins.

Industrial slowdown, High inflation- impact on sales, collection and Margins.

**Mitigation**

Current market shares approx. 5% (Pan India) and approx. 15% in South India.

- Quarterly business plans with a focus to strengthen Retail, Chain store, Modern trade and to maintain online channel mix at an industry average of 20-25%
- Initiating an Integrated channel expansion pilot program to synergise with the Parent Company, in North, East and Western Regions.
- 5-year strategic plan defined on Channel expansion and Marketing interventions.
- Building Product portfolio with greater value propositions and features as per Annual strategy and Consumer Surveys.
- Focussed Brand interventions, Digital/Influencer marketing, campaigns and E-com marketing activities to drive new products with consumer-friendly features, and to create Consumer awareness at newer markets outside
- Structured Retail and Alternate channel pricing norms by product category introduced to boost placement and competitiveness.
- Market slowdown continues and to realize the opportunity with direct consumers, by-products promoted through Chain stores and Modern trade
- Alternate channel opportunities explored in terms of Corporate gifting and Rural markets with relevant product range, at effective pricing.
- SKU rationalisation in progress to ensure focus on GTM and effective product placement

- Continued initiatives on resource utility and cost efficiency through Project Munnnetram delivered through our cross-functional teams.
- Consumer-centric product launches with enhanced features, utilising our strong secondary database for focused numeric distribution to sustain leadership in trade.
- Focus on numeric and weighted distribution through structured GTM process launch at prime markets.

**Customer Satisfaction risk**

**Risk:**

Absence of feedback mechanism to access the Customer Satisfaction

Inadequate framework to benchmark with Competition

**Mitigation**

- Initiated Service feedback certification from Direct Channel partners.
- Free Service camps initiated extensively across South Region

Pan India camps are to be conducted on a quarterly cycle.

- Introducing the WhatsApp Chatbot approach for complaint registrations, with a 10 second waiting time.
- Resolution of complaints within 24 hours - at 80%
- Ongoing Geo-fencing technology for monitoring complaint management.
- Competition benchmarking was conducted on Dec 22, and initiated below steps basis such exercise.
- Extended doorstep service for Mixers
- ASC remuneration revision for better service delivery
- CRM-based interface for product quality feedback to relevant stakeholders, in progress.

**Operational Risks- Inventory**

**Risk:**

Online forecast challenges - production on anticipation

Lack of monitoring of ageing inventory with potential obsolescence.

Too many SKUs across the channels and focus lag SKU rationalisation/focussed drive

Inconsistent BOM maintenance leads to significant stock differences and valuation issues.

**Mitigation**

- SNOP process initiated and driven through central Planner to balance on optimistic outlook, with weekly reality checks and immediate corrections in supplies and ageing stock liquidation.
- Portfolio revamp to rationalise SKUs within major categories basis scope and opportunity, for better focus, and results.
- Inventory physical verification process and schedule defined and implemented ( incl Perpetual checks and external count ).
- BOM norms validation
- Consumption vs norms analysis at the Production order level
- Monitoring additional consumption and root causing
- Inventory provisioning policy adopted with focussed CFT review every month with target reduction/ liquidation of slow-moving inventory.

**Operational Risks -HR/IR**

**Risk:**

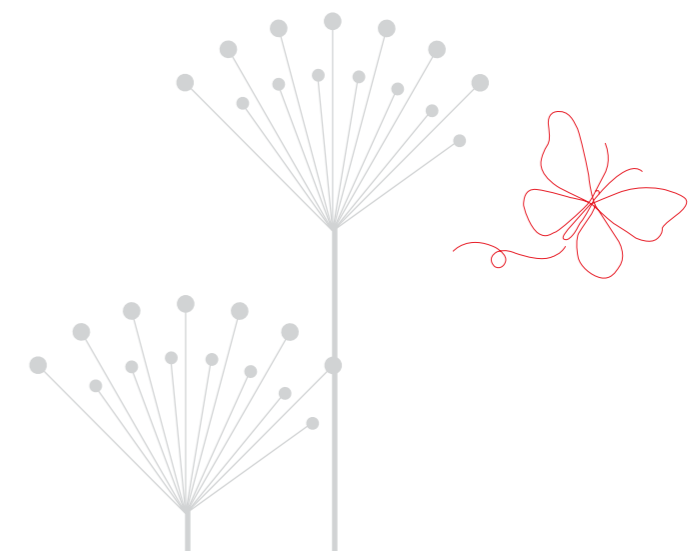
Lack of transparency of Organizational policies

Absence of change management to align with the Code of Conduct, acceptable employee behaviours and avoid Conflict of Interest.

Inadequate capability in key critical positions and employee development initiatives

**Mitigation**

- Revisiting and adopting robust employee Policies, is in progress.
- Townhalls conducted to enable transparent communication by top management, across the organisation.
- Code of conduct defined and adopted, to include Employee behaviour, Culture, Conflict of Interest and consequences, stakeholders' association, declarations etc Structured training planned in Q1'24.
- Management staff inducted to Performance management.
- Learning and Development plan initiated for a key position.
- Skill and Behavioural training being conducted across Employee Operations segments.
- Training calendar (basis identified specific needs) being rolled out.
- Career and Succession planning framework being prepared for initiation in F.Y. 24.



## Mitigating threats proactively

### Operational Risks- Information Security and Access controls

#### Risk:

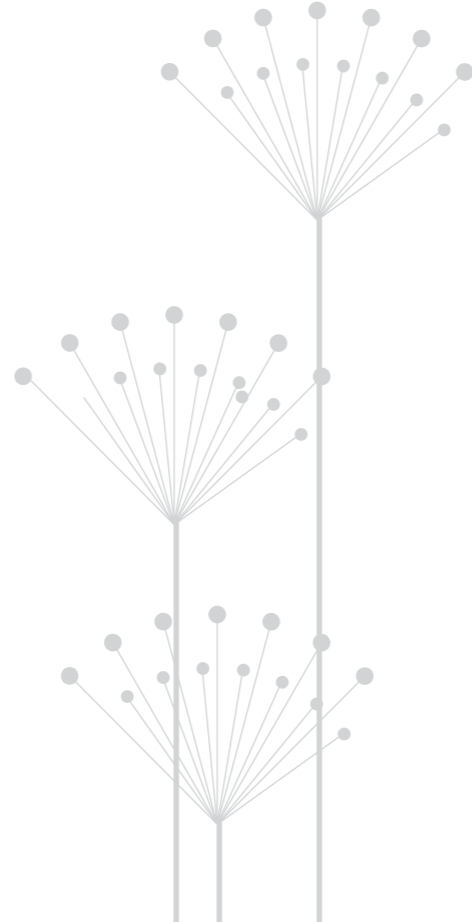
Inadequate IT infra and network security with potential data leakage risks.

Data recovery mechanism not so robust

Absence of access controls review

#### Mitigation




- Currently, applications and data are managed through internal servers and manual backup mechanisms. No data breach was reported in F.Y. 22-23.
- Preliminary assessment of IT infrastructure conducted through parent company's IT expertise.
- Pre-VAPT activities initiated with time-led plans.
- VAPT and Infra assessment planned in H1'24.
- Annual DR drill completed successfully.
- Critical and mandatory IT infra and Data securities policies defined and implemented in progress.
- Key authorisation checks and access controls review in progress.





## Determined to build stronger bonds

We believe that effective stakeholder engagement is the foundation of our success and sustainability. In today's rapidly evolving business landscape, we recognise the importance of building strong relationships with our Stakeholders including Shareholders, customers, employees, communities, and partners.

Stakeholder group	Channels of communication	Frequency of engagement	Purpose and scope of engagement
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Meetings/ Town hall briefings</li> <li>Employee engagement activities and surveys</li> <li>Team building, workshops, capability building and training</li> <li>Performance management system</li> <li>Employee newsletters</li> <li>Rewards and recognitions</li> </ul>	Continuous basis	The Company acknowledges the immense value that its employees bring to its enduring prosperity. They are regarded as the Company's most crucial asset and a pivotal element in enhancing the Company's competitiveness and upholding its market leadership.
 <b>Vendors and Suppliers</b>	Emails, Telephonic Conversations, One to one Meetings	Continuous basis	The Company comprehends the essentiality of engaging in collaborative partnerships with suppliers to ensure seamless business operations. It places considerable importance on the implementation of efficient procurement practices, recognising their substantial contribution to maintaining a dependable supply chain and cultivating robust relationships with suppliers.
 <b>Customers</b>	Emails, Telephonic Conversations, Physical Meetings, Online Platforms, Advertisements, Website	Need basis	The company acknowledges that customers' purchasing behaviours exert a profound influence on its operations. Consequently, establishing and maintaining ongoing communication with customers is imperative in order to comprehensively comprehend their evolving needs and desires.

Stakeholder group	Channels of communication	Frequency of engagement	Purpose and scope of engagement
 <b>Communities</b>	Community Meeting, Website, CSR Events	Need based	The Company comprehends the significance of empowering the community for the sake of its long-term business sustainability. It has embarked upon a range of upliftment projects and activities with the goal of cultivating robust and enduring relationships with the communities it serves.
 <b>Workers</b>	Safety Meetings, Notice Boards	Daily basis	The Company holds profound gratitude for the substantial contributions made by its workforce in securing its long-term success. The Company highly esteems its employees as a valuable asset and recognises their pivotal role in bolstering its capabilities and positioning within the industry.
 <b>Investors/ shareholders</b>	<ul style="list-style-type: none"> <li>Online Platforms, Website, Newspaper, Advertisement</li> <li>Annual General Meeting</li> <li>Financial result declarations</li> <li>Media releases</li> <li>Investor calls and meets</li> </ul>	Quarterly and Annually basis	Investors offer indispensable support to the Company by fortifying its financial standing and aiding in the preservation of its long-term viability.



## Corporate information

### BOARD OF DIRECTORS

<b>Mr. P. M. Murty</b>	Chairman of the Board, Non-Executive Independent Director
<b>Mr. Rangarajan Sriram</b>	Managing Director
<b>Mr. Shantanu Khosla</b>	Non-Executive Non-Independent Director
<b>Mr. Promeet Ghosh*</b>	Non-Executive Non-Independent Director
<b>Ms. Smita Anand</b>	Independent Director
<b>Mr. M. Padmanabhan</b>	Independent Director
<b>Mr. A. Balasubramanian</b>	Independent Director
<b>Mr. G. S. Samuel</b>	Independent Director
<b>Mr. T. R. Srinivasan</b>	Independent Director
<b>Ms. Maheshwari Mohan</b>	Independent Director

### CHIEF FINANCIAL OFFICER

Ms. B. Ananda Shalini, w.e.f. April 6, 2023

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Viral Sarvaiya, w.e.f. March 25, 2023

### REGISTERED OFFICE

143, Pudupakkam Village, Vandalur-Kelambakkam Road,  
Kelambakkam - 603103. Chengalpattu District, Tamil Nadu  
CIN: L28931TN1986PLC012728  
Phone: 044-47415500  
Email: [cs@butterflyindia.com](mailto:cs@butterflyindia.com)  
Website: [www.butterflyindia.com](http://www.butterflyindia.com).

### CORPORATE OFFICE

E-34, 2nd Floor, Rajiv Gandhi Salai, Egattur Village,  
Navalur - 600130, Chengalpattu District, Tamil Nadu  
Phone: 044-47415516.

### STATUTORY AUDITORS

M/s. ASA & Associates LLP, Chartered Accountants  
Unit 709 & 710, 7th Floor, 'BETA Wing', Raheja  
Towers, New Number 177, Anna Salai,  
Chennai - 600 002

### SECRETARIAL AUDITORS

M/s. M. Alagar and Associates,  
Practising Company Secretaries,  
ARK Colony Road, 21-B, First Floor, Eldams Road,  
Alwarpet, Chennai, Tamil Nadu - 600018

### COST AUDITORS

M/s. S. Mahadevan & Co., Cost Accountants,  
1, Lakshmi Nivas, K.V.Colony, Third Street, West  
Mambalam, Chennai - 600 033

### INTERNAL AUDITORS

M/s. Grant Thornton Bharat LLP  
11th Floor, Tower II, One International Center, SB  
Marg, Prabhadevi (W), Mumbai - 400013.

### REGISTRAR AND SHARE TRANSFER AGENTS

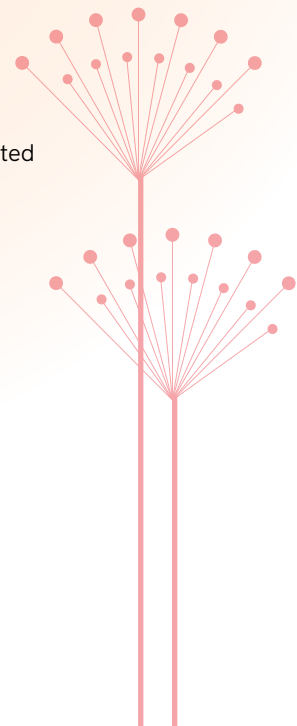
M/s. GNSA Infotech Private Limited,  
STA Department, F-Block, 4th Floor, 115, Nelson  
Manickam Road, Aminthakarai,  
Chennai - 600029  
Phone: 044-42962025  
Email: [sta@gnsaindia.com](mailto:sta@gnsaindia.com)

### BANKERS

State Bank of India  
IDBI Bank Limited  
IndusInd Bank Limited  
South Indian Bank Limited

\*Mr. Promeet Ghosh was appointed as Non Executive Non Independent Director w.e.f May 12, 2023

Note: Mr. Mathew Job, Non-Executive Non-Independent Director resigned w.e.f. April 30, 2023.



# Management Discussion and Analysis

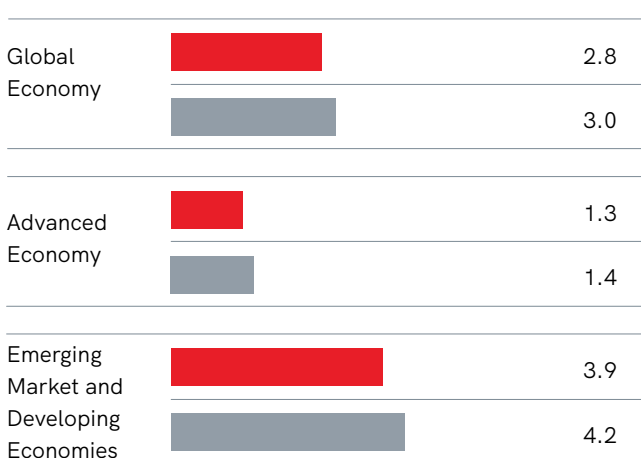
## Economic overview

### Global economy

Volatile food and commodity prices and geopolitical conflicts in Europe were the major impediments that adversely impacted the global economy. The negative outcome of these disruptions was runaway inflation in most economies of the world, prompting central banks to tighten their monetary policy stance to curb inflation.

According to the IMF's April 2023 World Economic Outlook report, the global economy will register a growth of 2.8% this year before touching 3.0% in CY24. The European Union's economy is projected to experience modest growth, driven by lower gas prices and improved consumer spending. Supply chain constraints and market volatility have considerably dampened consumer sentiment and lowered capital outflows. Several nations continue to grapple with persistent demand-supply imbalances and decadal-high inflation rates.

### GDP growth projection (in %)



■ CY2023 ■ CY2024  
Source: World Economic Outlook, IMF (April 2023)

### Outlook

The global economy appears poised for a gradual recovery from the waning effects of the pandemic and geopolitical tensions. The economic output is expected to witness steady growth, driven by stabilising inflationary pressures, reviving consumer sentiment and investor confidence.

An optimistic global outlook would also be determined by the speed and effectiveness of fiscal and monetary policy actions implemented to boost economic expansion. The central banks have been tightening monetary policy, which is expected to curb sticky inflation and foster long-term growth.

### Indian economy

The Indian economy demonstrated resilient growth amid geopolitical tensions and high inflation-induced global economic headwinds. India has emerged as one of the fastest-growing major economies and, according to the final advance estimates of the National Statistical Office (NSO), is set to register a growth of 7.2% in FY23. The growth in FY23 can largely be attributed to the relatively strong performance of the economy in the fourth quarter.

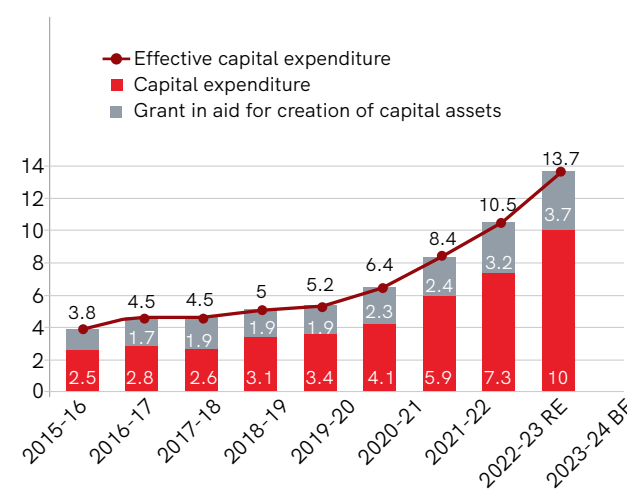
The Reserve Bank of India (RBI) is maintaining a stable monetary policy stance given the sliding inflation trajectory, positive macro tailwinds and increasing consumer aspiration. It decided to keep the repo rate unchanged for the second consecutive time, opting for a hawkish pause.

The Indian Government's initiatives, such as the PM Gati Shakti (National Master Plan), the National Monetisation Plan (NMP) and the Production Linked Incentive (PLI) plan, helped in fostering economic growth. Additionally, stronger prospects for manufacturing, services, agriculture, and related industries, along with improved business and consumer confidence, are expected to support domestic consumption. These factors coupled with accelerated credit expansion, are anticipated to contribute to overall economic growth in the near term.

The Union Budget, 2023-24, has provided a promising outlook for the Consumer Products and Retail sector. The Government's emphasis on financial inclusion, measures to stimulate rural demand, the 'Make in India' initiative, and support for start-ups are expected to create significant employment opportunities. This will result in an increase in disposable income and consumer demand, leading to further economic growth.

### Trend in Capital Expenditure

(in lakh crore)



Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1895279>

In addition, India stood out as one of the few countries that exhibited a lower corporate debt-to-GDP ratio. This robust debt profile of Indian companies has played a crucial role in maintaining the overall macroeconomic stability of the Indian economy.

## For FY23, GST collection in India has been above INR 1.4 lakh crore a month, indicating robust business environment and consumer sentiment.

### Outlook

India's economic outlook remains promising due to the conducive domestic policy environment and the Government's commitment to structural reforms. Despite facing global challenges, the country has managed to sustain robust economic activity. Factors such as increasing disposable income, easy access to credit, and declining interest rates, supported by a stabilising inflation trajectory, are expected to drive economic growth in the coming years.

### Industry overview

#### Global household appliance

The global household appliance sector is currently witnessing consistent expansion and is projected to achieve a volume of 2.1 billion units by the year 2030. This growth trajectory corresponds to a Compound Annual Growth Rate (CAGR) of 4.2% during the eight-year period from 2022 to 2030. The segment of major household appliances is predicted to grow at a CAGR of 4.6% and is expected to attain a volume of 1.2 billion units by 2030. Moreover, the U.S. market for electrical household appliances is anticipated to reach a volume of 409.2 million units in the year 2022.

### Outlook

The household appliances segment is expected to grow, with a revised CAGR of 3.7% over the next eight years, considering the ongoing post-pandemic recovery. China is expected to reach a market size of 438.7 million units by 2030, at a CAGR of 7.2% from 2022 to 2030. Other significant markets include Japan and Canada, which are expected to grow at 2.2% and 3.5%, respectively, over the period of 2022-2030. Within Europe, Germany is projected to grow at a CAGR of approximately 2.8%. These trends highlight the global demand for electric household appliances and the significant growth potential in emerging economies, especially in China, as consumers seek innovative and efficient appliances to enhance their lifestyles.

#### Indian household appliance market

The Household Appliances market in India demonstrates significant potential for growth. With a projected revenue of USD 74.49 billion in 2023, the market is set to witness a compound annual growth rate (CAGR) of 5.65% over the period from 2023 to 2028. Major appliances has the highest market volume, rising to US\$47.95 billion in 2023.

The Household Appliances market has emerged as a significant contributor to the economy, generating substantial revenue supported by a strong consumer base and purchasing power. Moreover, online sales channels have significantly impacted the industry, with 3.5% of total revenue expected to be generated through online platforms by 2023.<sup>1</sup>

#### India's mixers and grinders market

The Indian market for mixer grinders has witnessed substantial growth, with a notable increase of 18% between 2016 and 2022. Interestingly, while the global mixer grinders market faced a slowdown, the domestic market in India has surpassed global growth rates in recent years and is poised to maintain this trend in the future. Projections suggest that this growth momentum will continue, with the market expected to expand by at least 7% over the next decade.

#### India's cooktop market

The Indian cooktop market is experiencing a significant transformation driven by rapid urbanisation, evolving consumer preferences, and changing lifestyles. With a projected compound annual growth rate (CAGR) of 6.23% from 2024 to 2028, the market is anticipated to reach a value of USD 1310.02 million by 2028. This growth is primarily fuelled by the increasing purchasing power of Indian consumers, who are now seeking high-quality cooktops that offer advanced features and convenience. As disposable incomes rise, consumers are actively investing in innovative cooktops that provide enhanced functionality, catering to their evolving cooking needs.

### Outlook

The Indian Household Appliances market showcases substantial potential for growth, with increasing revenues, expanding online sales channels and a strong consumer base. As the market continues to evolve, industry players are well-positioned to capitalise on the increasing demand and drive further growth in the industry.

Anticipating future growth, the Household Appliances market is projected to reach a volume of 551.30 million pieces by 2028, with a steady volume growth rate of 2.9% expected in 2024. The average volume per household in the Household Appliances market is expected to amount to 1.46 pieces in 2023. This suggests a rising need for appliances among Indian households and presents manufacturers and retailers with opportunities for innovation and market penetration.<sup>2</sup>

<sup>1</sup><https://www.globenewswire.com/en/news-release/2023/02/17/2610879/28124/en/Global-Electric-Household-Appliances-Market-Report-2022-2023-2030-Rising-Electricity-Costs-Dampen-Growth-Prospects.html>

<sup>2</sup><https://www.statista.com/outlook/cmo/household-appliances/india>



### Global small domestic appliances

The global small domestic appliances market exhibited strong growth with a value of USD 185.49 billion in 2022 and a projected valuation of USD 193.83 billion in 2023. It is anticipated to further expand and reach USD 271.23 billion by 2030, reflecting a compound annual growth rate (CAGR) of 4.92% during the forecast period.<sup>3</sup>

The market's positive performance can be attributed to the increasing demand for convenience and efficiency in domestic tasks, coupled with technological advancements in the small domestic appliances sector. These advancements have led to the introduction of innovative and smart appliances, offering enhanced functionality and user-friendly features.

#### Outlook

The global small domestic appliances market has experienced substantial growth and is poised for further expansion. The market's upward trajectory can be attributed to factors such as the demand for convenience, technological advancements, changing consumer lifestyles and urbanisation. As the market continues to evolve, manufacturers are expected to capitalise on opportunities, arising from product innovation and expanding distribution networks, to sustain their growth and meet consumers' evolving demands. Additionally, favourable economic conditions, coupled with the growing adoption of smart home technologies, are likely to fuel the market's expansion in the coming years.

### Indian small domestic appliances

The Indian small domestic appliances market has seen significant growth due to the rising demand for kitchen appliances with advanced features. Factors such as urban migration, an increase in the number of working women, the prevalence of nuclear families and fast-paced lifestyles have contributed to the surge in demand for modern appliances that offer convenience and time-saving benefits.

This market segment has witnessed significant innovation through continuous research and development, leading to the introduction of cutting-edge products. As a result, there is a growing demand for small domestic appliances such as mixers, grinders, juicers, microwave ovens, toasters, vacuum cleaners, electric kettles, coffee machines and more.

The revenue generated in the Small Kitchen Appliances segment is projected to reach a substantial amount of USD 14.82 billion in 2023. Moreover, the market is expected to grow steadily at a CAGR of 5.27% in 2023-2028.<sup>4</sup>

#### Outlook

With continuous research and development efforts leading to the introduction of innovative products, the market is witnessing remarkable advancements. As consumers embrace contemporary lifestyles and seek efficient solutions, the Indian small domestic appliances market is well-positioned to meet their needs and contribute significantly to the overall growth of the sector.

In terms of volume, the Small Kitchen Appliances segment is expected to reach 247.90 million pieces by 2028. In addition, there is a projected volume growth of 2.3% in 2024 for this market segment. The average volume per household in the Small Kitchen Appliances segment is expected to be 0.68 pieces in 2023.

### Home appliances

The Indian market is considered one of the key markets for the home appliances and consumer electronics industry. The pandemic has brought about significant changes in consumer attitudes towards home appliances in the country. With remote work becoming the norm, there has been a significant increase in the demand for home appliances.

This surge in demand for home appliances is expected to continue in the long term, indicating a steady growth trajectory for the industry. Currently, the penetration of home appliances in India is relatively low, which presents a significant opportunity for companies in the sector to capture a larger market share.

As urbanisation continues and awareness of premium products spreads to rural areas, there is a vast untapped potential for home appliance companies to deepen their reach and cater to a wider audience. The need for convenient home appliances further contributes to this opportunity.

The adoption of advanced technology has become commonplace in the industry. The Government of India has also emphasised the importance of increasing domestic production of home appliances, providing an impetus for growth. With such support and initiatives, the long-term prospects for the home appliance segment in India remain optimistic.

<sup>3</sup><https://www.globenewswire.com/news-release/2023/04/12/2645066/0/en/Small-Domestic-Appliances-Market-to-Hit-USD-271-23-Billion-by-2030-With-a-4-92-CAGR.html>

<sup>4</sup><https://www.statista.com/outlook/cmo/household-appliances/small-appliances/small-kitchen-appliances/india>

**Key growth drivers**

<b>Government initiatives</b>		Schemes like 'Housing for All' and 'Power for All' have boosted the consumer durable industry, including the consumer electronics and equipment sector. The Production Linked Incentive (PLI) Scheme has encouraged domestic manufacturing of consumer durables, particularly white goods like air conditioners and LED lights.
<b>Rising income levels</b>		Increased household incomes, driven by the growing number of working women and nuclear families, have created a demand for user-friendly and innovative consumer-durable products. The increasing aspirational middle class, resulting from urban migration, also contributes to the growth of the home appliances market.
<b>Growth of e-commerce platforms</b>		The penetration of the internet in urban, semi-urban, and rural areas has facilitated the growth of the consumer electronics and appliance industry. E-commerce platforms have made products more accessible and affordable, enabling consumers to compare and choose from a wide range of options.
<b>Increasing electrification and market expansion</b>		Improved availability of power in small towns and villages has led to a growing demand for consumer durables in rural areas. In urban markets, the desire for premium products has shortened the replacement cycle, driving market expansion as consumers upgrade to the latest models.
<b>Quicker transition to the organised sector</b>		The consumer electronics industry is witnessing a shift from the unorganised sector to the organised sector. Factors such as the pandemic, the implementation of GST, and the entry of online retailers have contributed to this transition.
<b>Green and sustainable focus</b>		The need for environmental protection has gained prominence, with India pledging support to the UN Sustainability Goals, 2030. Energy optimisation and energy-efficient appliances have become increasingly important to customers, driving acceptance of products with eco-friendly features.
<b>Innovation</b>		Continuous product innovation, particularly in domestic cooking appliances and smart home technologies, appeals to customers who seek automated products with minimal human intervention. The demand for IoT and smart technology-driven appliances is on the rise.
<b>Digital acceleration</b>		Digital transformation has played a significant role in the growth of the home appliances market. Digital platforms have enabled manufacturers to reach a broader customer base and offer personalised experiences, driving sales and customer loyalty.
<b>Growing urbanisation</b>		The increasing urban population, along with the nuclearisation of families and a rising aspirational middle class with high disposable income, fuels the demand for premium kitchen appliances. The migration of people from rural areas to metro cities contributes to the growth of the small domestic appliances market.

## Company overview

Butterfly Gandhimathi Appliances Limited (“**BGMAL or Company**”), established in 1986, is widely recognised as a trailblazer and one of the few fully integrated manufacturers of domestic kitchen appliances in the Country. Renowned for its commitment to quality and innovation, the Company has established benchmark standards and achieved several industry-first milestones. BGMAL has emerged as one of India’s most prominent kitchen appliances companies, having a significant market presence both domestically and internationally. Crompton Greaves Consumer Electricals Limited acquired a majority stake in March 2022. Both the Companies have approved the Scheme of Amalgamation in March 2023, which will result in the consolidation of their respective businesses and operations. This strategic merger is expected to enhance the Company’s market position and augment its product portfolio. The proposed merger will also lead to the simplification of the Corporate Governance structure, the convergence of public shareholders at the parent Company level and the alignment of interests for the shareholders of both companies. The combined business is expected to realise synergies and generate benefits for all stakeholders.

### Products

The Company’s leading and highly sought-after brand, ‘**Butterfly**,’ encompasses an extensive range of domestic appliances, comprising LPG stoves, mixer grinders, table top wet grinders, stainless steel and aluminium pressure cookers, stainless steel flasks and water Bottles, Power hobs, Kettles, Chimney hobs, and so on.

### Technology

The Company prudently invests in advanced process technologies, including the adoption of cutting-edge machinery and equipment, innovative materials and automation to enhance efficiency and quality. The Company is also investing in digital acceleration, which involves leveraging technology and data to streamline operations, optimise supply chain management and improve customer experiences. These strategic investments reflect the Company’s commitment to staying ahead of the curve in an increasingly technology-driven market.

### Global footprint

The Company has a global footprint and exports its products to several countries worldwide, including the United Kingdom, Canada, Australia, Japan, the Middle East and various East Asian countries. The Company’s global competitiveness and ability to satisfy diverse consumer needs are a result of its commitment to quality, innovation and customer-centricity.

### Safety and Compliance

Safety and the well-being of employees have been the key focus areas of the Company. Safety Gap Assessment was conducted and the identified issues are being addressed on a

war footing basis. Safety initiatives have been implemented, including the formation of a safety committee, the appointment of a safety officer, the nomination of safety champions across departments, monthly safety reviews and daily safety pledges. The Company provides high-quality PPE and conducts continued training and awareness programmes to constantly sensitise all the employees on safety aspects. As a result, there were significant reduction in reportable accidents and non-reportable accidents decreased by 42%.

Compliance with relevant statutes has been the top priority of the Company. A framework has been defined to ensure completeness and timeliness with respect to adherence to all applicable laws and regulations.

### Manufacturing

The Company’s fully integrated and advanced manufacturing plants produce a wide range of domestic appliances. In line with its strategy to become a pan-India player, the Company made significant efforts towards optimising resource efficiency, product quality and productivity across its manufacturing plants throughout the year. The Company underwent many operational advancements that were aimed at enhancing productivity, reducing risks and improving product quality in the workplace. These initiatives included the modification of motor plant processes and layout, the installation of an SS Jar auto polishing machine and the introduction of online granulation for injection moulding. The modification of motor plant processes and layout is intended to boost productivity by eliminating hazardous operations such as soldering and coil varnishing. The installation of an SS Jar auto polishing machine aimed to reduce manual polishing operator dependency, enhance productivity and ensure safety while saving costs. Refer to non-stat page 18-21 for more details. These operational improvements were successful in enhancing workplace efficiency while reducing the risks associated with hazardous operations.

### Operational excellence

The Company has initiated an operational excellence journey to improve productivity, time work management and loss elimination. Key performance indices are defined and the projects driving these metrics are in different stages of implementation. The journey started by understanding the concept, tools and techniques to ensure that the project-driven are sustainable to help deliver excellence.

### Sustainability

The Company remained committed to designing and manufacturing products that prioritise energy efficiency and sustainability. This commitment to sustainability aligns with the Company’s long-term vision of minimising its environmental footprint while also delivering high-quality and innovative products to its customers. By encouraging energy efficiency and sustainability in its products, the Company aims to contribute to a cleaner and more sustainable future for all.

## Financial performance



The Company endeavoured to maximise cash flow and enhance working capital to ensure the business is financially stable. To accomplish this, it implemented various initiatives, such as improving receivables and managing inventory days and creditors. Continued efforts are directed towards inventory optimisations through structure Sales and Operating Planning (SNOPs). Process-driven vendor evaluation and development opened up alternative options for supply and services at effective cost and payment terms. Balanced inventory norms enabled by strengthened demand forecast (both immediate and 2+ months rollover) lead to a better supply plan, supplemented by timely decision-making basis market trend, especially in Q4, 2023. Additional tie-up programmes with banks providing a bouquet of facilities to dealers and distributors at competitive rates enabled better operating capital for the Company. To further enhance its financials, the Company improved its vendor connections through effective inventory management and utilised common resources across functions. It also implemented pricing corrections to improve retail margins and balanced its channel bifurcation to ensure the right proportion of online and alternate channels.

As a result of these initiatives, the Company was able to optimise its cash reserves and manage its working capital more effectively, which allowed it to move away from a debt-oriented approach and increase profits while maintaining a stable financial position.

The Company's gross revenue stood at ₹1,05,655.24 lakhs in contrast to ₹95,985.86 lakhs in FY 2021-22. The EBITDA of the Company (Earnings Before Interest, Tax, Depreciation and Amortisation) was ₹10,311.18 lakhs in FY 2022-23 compared to ₹5,136.25 lakhs in FY 2021-22. The Company stated a PAT (Profit After Tax) of ₹5,166.58 in FY 2022-23 compared to ₹1,612.68 lakh in FY 2021-22. A summary of operating results is covered in the Board's Report for ready reckoning.

## Sales performance

By focusing more on innovative value engineering and the launch of new products, along with assertive market expansion campaigns, rapid digital acceleration and strong online customer engagement, the Company went through a major transformation in 2022-23. The Company's stellar sales performance across all product categories and sales channels is a testament to its unparalleled customer service, which was acknowledged by leading e-commerce companies for its industry-leading turn-around time. Efficient SNOP helped the Company achieve excellent figures. By identifying market demand, the Company was able to plan its backend manufacturing processes effectively, ensuring that the right products were available at the right time, in the right quantity and at the right price. In addition to this, strengthening the retail business while maintaining a significant online presence helped the Company stay ahead of the curve and meet the

changing needs of customers. A robust SNOP process helped the Company align its sales and operations, reduce costs, improve customer satisfaction and drive growth.

## Product

This relates to the significant changes in the primary financial ratios and the return on net worth of Company. Specifically, it entails providing a comprehensive explanation of any substantial modifications, which are defined as alterations of 25% or more when compared to the previous fiscal year, observed in these important financial ratios.

(₹ in lakhs)		
Products	FY 2022-23	FY 2021-22
Kitchen Appliances	776.54	715.12
Cooker/ Cookware	232.38	220.82
Others	47.62	23.91
<b>Total</b>	<b>1,056.55</b>	<b>959.86</b>

(₹ in lakhs)		
Products	FY 2022-23	FY 2021-22
Net Sales	1,05,655.24	95,985.86
Finance Costs	650.59	1,113.44
Total Net Income	5,063.69	1,637.52
Long Term Borrowings	Nil	456.19
Total Debt (as times of equity)	0.02	0.23
Short Term Borrowings	Nil	4,770.28
Depreciation	1,615.26	1,546.49
Investments	34.92	34.39
Fixed Assets (Capital Expenditure)	1,871.51	1,615.60
EBITDA	10,311.18	5,136.25
PBT	8,045.33	2,476.32
PAT	5,166.58	1,612.68

The use of advanced real-time inventory tracking technology has led to more efficient and accurate management of inventory levels throughout the distribution channel. This has enabled distributors to maintain optimal levels of stock and reduce the risk of overstocking or stockouts. Additionally, the real-time tracking system has also helped reduce outstanding debts owed to the Company. This is because the system provides greater visibility into inventory levels and enables more accurate invoicing and payment processing. By reducing the amount of outstanding debt, the Company can better manage its cash flow and reduce financial risks. It has resulted in improved financial performance, reduced financial risks and ensured better management of inventory levels.

## Outlook

The Company is pursuing a progressive roadmap in its quest for nationwide market expansion and exponential growth in the years ahead. Leveraging its position as an integrated kitchen appliance manufacturer and its strong brand reputation, the Company intends to target high-potential markets in the North and Western regions by utilising the distribution and branding synergies gained from Crompton Greaves Consumer Electricals Limited.





In addition to market expansion, the Company will prioritise operational excellence as a key growth driver. With a focus on strengthening in-house manufacturing, improving output and introducing automated cooker manufacturing, the Company aims to enhance its production capabilities and achieve greater efficiencies. This will be further facilitated by concentrating more on enhancing productivity, safety and cost reduction.

The Company also aims to ramp up its service offerings by expanding the service interventions, improving its Average Acquisition Cost and Turn Around Time, implementing software and network enhancements, as well as improving spare parts availability and after-sales support. This will enable the Company to deliver a seamless customer experience, build customer loyalty and drive growth in the long run. The Company's outlook for the upcoming financial year is marked by a commitment to excellence across all aspects of its operations, from manufacturing to service delivery. With a strategic focus on market expansion, operational excellence and service enhancement, the Company is poised for significant growth and success in the years ahead.

### Risk management

The Company has established a robust Risk Management Policy, framework, and process to ensure the achievement of its strategic objectives and sustainable goals. The process enables informed decision-making, through risk assessment and management at various levels. Both Bottom-up and Top-down approaches are adopted covering the organisation, and functions. The Company reviews the key risks identified by the business and the status

of mitigation actions, to systematically address the risks, on an ongoing basis.

The Board Risk Management Committee oversees the Company's Risk Management Policy, Process, Structure and Risk mitigation mechanism. Audit Committee also has additional oversight on Financial Risks and Controls. The Company's Internal Management Audit team assures the Board of Directors of the effectiveness of the process.

### Internal control systems

Comprehensive Internal Control Systems are in place both in the Company and in the Management to safeguard and shield the Company from losses and ensure the proper use of its assets. The fully integrated Enterprise Resource Planning (ERP) system, with advanced AI software, provides senior management with data-driven insight to monitor every aspect of the business in real-time and make speedier decisions. The Company strictly adheres to all Accounting Standards and Guidelines prescribed for the maintenance of books of account and the reporting of financial statements. The appointed independent internal auditors monitor and report on the effectiveness of the internal control systems of the various areas of operations. Key matters that are reported in the Internal Audit are brought to the attention of the Audit Committee of the Board of Directors and corrective measures are recommended and appropriate actions taken. The Internal Control systems ensure the business operations function efficiently and that the applicable laws, rules, regulations, and policies of the Company are followed in addition to safeguarding the reliability of financial reporting.

### Human resources

The Company firmly believes that its growth is predominantly attributed to its human capital. In light of a dynamic operating environment, employees are a crucial part of the Company for developing competencies, strategic planning, building up systems and creating a growth-oriented organisational culture.

# 1,349 employees

As of March 31, 2023

#### Becoming merit-driven from promoter-driven

The Company adopted an employee and stakeholder-first policy whereby it prioritised a merit-driven culture over a promoter-driven culture. Its utilised synergies from Crompton Greaves Consumer Electricals Limited to take inputs for its broader human resource policy.

#### Enhancing employees' trust

The Company implemented multiple measures in the previous financial year to foster trust and confidence among its employees. The Company regularly conducted Townhall meetings to provide assurance to its employees, as well as regular shop floor visits, during which employees could converse directly with the management and get their grievances addressed (if any). Monthly review meetings with functional heads were also organised to ensure effective communication and understanding between management and employees.

#### Employee benefits

To further augment employee satisfaction, the Company introduced several new benefits, such as a group-term life insurance policy. Moreover, the Company has taken steps to boost employee morale by introducing a new Rewards and Recognition policy, whereby 280 Rewards and Recognitions were awarded previous year.

### Employee health and wellness

The Company worked diligently to ensure employee health and wellness. Several wellness programmes for women were conducted. 800 women participated last year in awareness campaigns related to menstrual health, breast cancer, diabetes and heart care.

### Talent acquisition

Talent acquisition initiatives included key campus identification and leveraging the Crompton Greaves Consumer Electricals Limited brand to attract the right talent. The Company also hired new talent for critical roles, shifting away from a promoter-driven approach.

### Diversity

The Company also put in concerted efforts to encourage diversity, following a department-wise approach, resulting in a record 35% female workforce and 24% excluding off roll employees. Women's Day celebrations were also held. The Company has also implemented initiatives to promote learning and development, such as conducting FGDs with functional heads for skill mapping and identifying the right individuals to solve problems using scientific approaches.

### Capability building

Capability building was another major focus area for the Company this year. Several cross-functional teams were established and regular interactions between the various departments were held to encourage inter-departmental knowledge transfer. The Company has introduced a databased approach to problem-solving, utilising the 7QC tool principles to enhance problem-solving and execution capabilities.

As a result of its policies and practices, the Company has achieved unprecedented levels of productivity and performance, with teams pushing themselves beyond their limits in the pursuit of new challenges and milestones

### Details of significant changes in the key financial ratios and return on net worth

Particulars	FY 2022-2023	FY 2021-2022	Change (%)	Explanation
Debtors Turnover Ratio	9.76	11.49	-15.02%	-
Inventory Turnover Ratio	3.99	3.30	20.80%	-
Interest Coverage Ratio	15.85	4.61	243.58%	Improved Operating profit and reduction in borrowings
Current Ratio	1.64	1.25	31.01%	Improved cash generation from operations, incremental debtors, reduction in inventory and trade payables led to improved current ratio.
Debt Equity Ratio (%)	0.02	0.23	-92.39%	Improved self generated funds leading to non utilisation of debt.
Operating Profit Margin (%)	9.14	5.84	56.52%	Improved operating profit contributed by cost control measures in material and direct cost under project munnetram and other initiatives
Net profit Margin (%)	4.89	1.68	191.05%	Improved operating profit as per measures stated above
Return on Net worth	19.90	7.00	182.40%	Improved profitability and reduced debt

### Review of operations

The Company demonstrated sheer resilience with a commendable performance throughout the year, despite the challenging economic environment, with the adverse effects of the Russia-Ukraine war contributing to the volatility in raw material and energy prices.

### Cautionary statement

In accordance with the relevant laws and regulations, certain statements in the Management Discussion and Analysis Report relating to the Company's goals, forecasts, outlook, expectations and estimates may be considered 'forward-looking statements.' Actual outcomes could differ from these predictions, expectations and other statements, whether explicit or implicit. The operations of the Company could significantly change depending on a number of variables. These include environmental factors, macroeconomic factors that affect supply and demand, Governmental policies and taxation, natural disasters and other factors that the Company has no direct control over.

# Report by Board of Directors to Shareholders

Dear Members,

The Board of Directors are pleased to present the Company's 36<sup>th</sup> Annual Report on the business and operations of your Company ("the **Company**" or "**Butterfly**"), along with the audited financial statements for the financial year ended March 31, 2023.

## STATE OF THE AFFAIRS OF THE COMPANY

The performance of the businesses are detailed out in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## FINANCIAL PERFORMANCE

The Company's financial performance for the year ended March 31, 2023 is summarised below:

(₹ in lakhs)

Particulars	Financial Year ended on March 31, 2023	Financial Year ended on March 31, 2022
Revenue from Operations (Net)	1,05,655.24	95,985.86
Other Income	659.03	194.22
Operating Expenditure	96,003.09	90,383.35
Operating Profit before Depreciation and Finance Cost	9,652.15	5,602.51
Profit before Depreciation, Finance cost and	10,311.18	5,796.73
Exceptional Items		
Finance Cost	650.59	1,113.44
Depreciation	1,615.26	1,546.49
Profit before Exceptional Items and Tax	8,045.33	3,136.80
Exceptional Items	-	660.48
Profit before Tax	8,045.33	2,476.32
Income Tax/Deferred Tax	2,878.75	863.64
Profit after Tax	5,166.58	1,612.68
Other Comprehensive Income net of tax	(102.89)	24.84
Total Comprehensive Income for the year	5,063.69	1,637.52
Earnings Per Equity Share (Face Value of ₹10 each)	28.90	9.02

## PERFORMANCE AT A GLANCE

During the year under review, the Revenue from operations amounted to ₹1,05,655.24 lakhs as against ₹95,985.86 lakhs in the previous year.

EBITDA for the year stood at ₹10,311.18 lakhs as against ₹5,796.73 lakhs during the previous year.

Depreciation for the year stood at ₹1,615.26 lakhs as against ₹1,546.49 lakhs recognized during the previous year.

Interest expense for the year stood at ₹650.59 lakhs as against the previous year of ₹1,113.44 lakhs.

Profit before Tax was ₹8,045.33 lakhs compared to ₹2,476.32 lakhs, during the previous year.

No material changes or commitments have occurred between the end of the financial year and the date of this Report, which affect the Financial Statements of the Company with respect to the reporting year.

## BUSINESS PERFORMANCE/ STATE OF THE COMPANY'S AFFAIRS

Various initiatives were taken to expand the market for Company's products to new geographies, and for maximisation of efficiencies particularly in the area of cost reduction and working capital management.

The business contingency plans focussed on digitalization of sales process, innovative marketing strategies and careful optimisation of supplies to various channels as and when each channel became operational.

## DIVIDEND

The Board has not recommended any dividend for the Financial Year 2022-23.

Your Company has formulated a Dividend Distribution Policy in compliance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended (“**the Listing Regulations**”). The policy is given as **Annexure-1** to this Report. This is also available on the Company’s website and can be accessed at: <https://www.butterflyindia.com/wp-content/uploads/2021/04/Dividend-Distribution-Policy-20.10.2020.pdf>

## TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the General Reserve.

## MANAGEMENT DISCUSSION AND ANALYSIS

As required under Regulation 34 read with Schedule V(B) the Listing Regulations, report on Management Discussion and Analysis is presented in a separate section, forming part of this Annual Report and are restricted to the areas which are relevant to the current scenario of the Company and outlook.

## SHARE CAPITAL

During the year under review, there was no change in the Share Capital of the Company.

The total paid-up share capital of the Company as on March 31, 2023 stood at ₹1,787.96 lakhs divided into 1,78,79,551 equity shares of ₹10.00 (Rupees Ten) each.

## FINANCIAL LIQUIDITY

Cash and Cash equivalent as on March 31, 2023 stood at ₹3,268.84 lakhs vis-à-vis ₹120.48 lakhs in the previous year. The Company’s working capital management is robust and involves a well-organize process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

## CREDIT RATING

CRISIL, a credit rating agency has provided the Company’s credit rating for its bank facilities. The details of the ratings are as follows:

Long Term Rating	CRISIL AA/ Watch Positive
Short Term Rating	CRISIL A1+

## PUBLIC DEPOSITS

No public deposits have been accepted or renewed by your Company during the financial year under review pursuant to the provisions of Section 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not granted any Loans and/or given any Guarantees and/or provided any security and/or made any investments under the provisions of section 186 of the Companies Act, 2013 (“**the Act**”) read with Companies (Meetings of Board and its Powers) Rules, 2014.

## INTERNAL CONTROL SYSTEMS

Your Company has in place, an adequate system of internal controls commensurate with its size, requirements and the nature of operations. These systems are designed keeping in view the nature of activities carried out at each location and the various business operations. The Company has documented a robust and comprehensive internal control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Auditors monitors and evaluates the efficacy and adequacy of internal controls system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit, process owners undertake corrective action in their respective areas and thereby strengthen the controls. During the year, the Audit Committee met regularly to review the reports submitted by the Internal Auditors. All audit observations and follow-up actions thereon were reported to the Audit Committee. The Audit Committee has also taken the views of Company’s Statutory Auditors on the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company.

Your Company also has a Risk Management Framework in place covering all critical areas of operation. This framework is reviewed periodically keeping in mind the business dynamics and external environment and provides the guidelines for managing the various risks across the business.

## VIGIL MECHANISM/ WHISTLE-BLOWER POLICY (“WB Policy”)

Over the years, the Company has established a reputation for doing business with integrity and maintained zero tolerance towards any form of unethical behavior. Your Company has formulated a Vigil Mechanism and WB Policy intending to provide a mechanism for employees to report violations. The Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company’s Code of Conduct

The Company has established vigil mechanism for Directors and employees to report genuine concerns pursuant to section 177(9) and (10) of the Act and Regulation 22 of the Listing Regulations.

The Vigil Mechanism Policy of the Company also incorporates a WB Policy in terms of the Listing Regulations. The aggrieved person shall have direct access to the Chairman of the

Audit Committee of the Company. The Company's WB Policy is available on the Company's website and can be accessed at: [https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy\\_28092022.pdf](https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy_28092022.pdf)

During the year under review, your Company did not receive any complaints.

## HOLDING COMPANY

Pursuant to Section 2(87)(ii) of the Act, Crompton Greaves Consumer Electricals Limited ("CGCEL") is the Holding Company. CGCEL holds 75% of the equity share capital of the Company.

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any Subsidiaries, Associates or Joint Venture during the financial year or at any time after the closure of the financial year and till the date of this report.

## BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Your Company's Board comprises of Ten (10) Members as on the date of this Report.

### DIRECTORATE

#### Appointments/ Re-appointments

The appointment and remuneration of Directors are governed by the Policy devised by the Nomination and Remuneration Committee of your Company. The detailed Nomination and Remuneration Policy is contained in the Corporate Governance Section of this Annual Report.

**Mr. Shantanu Khosla (DIN:00059877)** was appointed as an Additional Director by the Board on the recommendation of Nomination and Remuneration Committee ("N&RC") w.e.f. March 30, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Mr. Shantanu Khosla as Non-Executive, Non-Independent Director of the Company liable to retire by rotation.

**Mr. Mathew Job (DIN:02922413)** was appointed as an Additional Director by the Board on the recommendation of N&RC w.e.f. March 30, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Mr. Mathew Job as Non-Executive, Non-Independent Director of the Company liable to retire by rotation.

**Mr. Rangarajan Sriram (DIN:09550640)** was appointed as an Additional Director designated as the Managing Director by the Board on the recommendation of N&RC w.e.f. March 30, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Mr. Rangarajan Sriram as Managing Director of the Company for a period of Two (2) years w.e.f. March 30, 2022.

**Mr. P. M. Murty (DIN:00011179)** was appointed as an Additional Independent Director by the Board on the recommendation of N&RC w.e.f. April 1, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Mr. P. M. Murty as an Independent Director for a period of Five (5) years w.e.f. April 1, 2022.

**Mr. P. R. Ramesh (DIN: 01915274)** was appointed as an Additional Independent Director by the Board on the recommendation of N&RC w.e.f. April 1, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Mr. P. R. Ramesh as an Independent Director for a period of Five (5) years w.e.f. April 1, 2022.

**Ms. Smita Anand (DIN: 00059228)** was appointed as an Additional Independent Director by the Board on the recommendation of N&RC w.e.f. April 1, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Ms. Smita Anand as an Independent Director for a period of Five (5) years w.e.f. April 1, 2022.

**Mr. Promeet Ghosh (DIN:05307658)** was appointed as an Additional Director by the Board on the recommendation of N&RC w.e.f. May 12, 2023. The Board of Directors of the Company have also recommended to the Members, the appointment of Mr. Ghosh as Non-Executive Non Independent Director of the Company liable to retire by rotation at the ensuing Annual General Meeting ("AGM").

The N&RC had evaluated the balance of skills, knowledge and experience as required for being eligible for appointment on the Board of the Company and on the basis of such evaluation had prepared a description of the role and capabilities required of an Independent Director and Mr. P. M. Murty, Mr. P. R. Ramesh & Ms. Smita Anand met such capabilities as identified by the Committee.

#### Cessation

Mr. P. R. Ramesh, Independent Director resigned from the Board of the Company w.e.f. November 9, 2022.

Mr. Mathew Job, Non- Executive, Non-Independent Director resigned from the Board w.e.f April 30, 2023.

The Board express its appreciation for Mr. P. R. Ramesh and Mr. Mathew Job for the valuable guidance and services rendered by them during their tenure as Directors of the Company.

## KEY MANAGERIAL PERSONNEL ("KMP")

During the year under review, Ms. Priya Varshinee V. M. Company Secretary & Compliance Officer, resigned w.e.f. February 3, 2023 and Mr. R. Nagarajan, Chief Financial Officer, resigned w.e.f. April 5, 2023.

Mr. Viral Sarvaiya was appointed as the Company Secretary & Compliance Officer and designated as KMP w.e.f March 25, 2023 and Ms. Ananda Shalini was appointed as Chief Financial Officer and designated as KMP w.e.f April 6, 2023.

In accordance with the provisions of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, including

any statutory modification(s) or re-enactment(s) thereof for the time being in force below are the KMP's of the Company:

1. Mr. Rangarajan Sriram, Managing Director;
2. Ms. Ananda Shalini, Chief Financial Officer and
3. Mr. Viral Sarvaiya, Company Secretary & Compliance Officer

### Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company and can be accessed at: <https://www.butterflyindia.com/investor-relations/#policies>

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the varied fields and holds high standards of integrity.

All the Independent Directors of the Company have registered themselves with Indian Institute of Corporate Affairs, Manesar ("IICA") for the inclusion of their names in the data bank maintained by IICA. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014 as amended, since all the Independent Directors of the Company have served as Directors for a period of not less than Three (3) years on the Board of listed companies as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test conducted by the said Institute.

Mr. P. M. Murty (DIN:00011179), Mr. A. Balasubramanian (DIN:00490921), Ms. Smita Anand (DIN:00059228) Mr. G. S. Samuel (DIN:05284689), Mr. T. R. Srinivasan (DIN:00367302), Ms. Maheshwari Mohan (DIN:07156606) and Mr. M. Padmanabhan (DIN:00101997) are Independent Directors of the Company. The details of the membership of committees and the qualifications and expertise of all the Directors is covered in the Report on Corporate Governance.

During the year under review, the Members of the Company, vide special resolution passed by way of Postal Ballot dated March 2, 2023 approved continuation of directorship of Mr. T.R. Srinivasan (DIN:00367302) & Mr. A. Balasubramanian (DIN:00490921), Non-Executive Independent Directors beyond the age of 75 years till the expiry of their current tenure i.e., July 31, 2024.

### Non-Independent Directors

As on March 31, 2023, Mr. Shantanu Khosla and Mr. Mathew Job were the Non-Executive Non-Independent Directors.

Mr. Mathew Job had tendered his resignation from the position of Non-Executive Non-Independent Directors on the Board w.e.f. close of business hours of April 30, 2023. The Board had placed on record its appreciation for the valuable guidance and services rendered by him during his tenure as Director of the Company.

The Board of Directors of the Company on May 12, 2023 with the recommendation of N&RC appointed Mr. Prommeet Ghosh (DIN:05307658) as an Additional Director (Non-Executive

Non Independent) on the Board w.e.f. May 12, 2023. Further, the N&RC and Board of Directors of the Company have also recommended to the Members the appointment of Mr. Ghosh as Non-Executive Non-Independent Director at the ensuing AGM.

Mr. Shantanu Khosla (DIN:00059877), Non-Executive Director is liable to retire by rotation. Mr. Shantanu Khosla being eligible for re-appointment at the ensuing AGM of your Company has offered himself for re-appointment. His details as required under the Listing Regulations are contained in the accompanying notice convening the ensuing AGM of your Company.

## BOARD EFFECTIVENESS

### Familiarisation Programme for Independent Directors

Your Company has in place a structured induction programme for induction of new Directors as well as other initiatives to update the existing Directors on a continuous basis. The Familiarisation Programme of the Company provides information relating to the Company, operational activities, business model of the Company, geographies in which Company operates, etc. The programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme also provides information relating to the financial performance of the Company, budget and control process of the Company.

### Evaluation of the Board's Performance

In terms of requirements of the Act read with the Rules issued thereunder and the Listing Regulations, the Board carried out the annual performance evaluation of the Board of Directors as a whole, Committees of the Board and individual Directors. Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board Engagement and Effectiveness. The Policy and criteria for Board Evaluation is duly approved by N&RC. Performance evaluation is facilitated by the Chairman of the Board who is supported by the Chairman of N&RC.

The process of Board Evaluation is conducted through structured questionnaires for the Board as a whole, Committees of the Board and individual Directors.

The parameters for performance evaluation of the Board *inter alia* includes the composition of the Board, process of appointment to the Board of Directors, common understanding of the roles and responsibilities of the Board Members, timelines for circulating Board papers, content and quality of the information provided to the Board, attention to the Company's long-term strategic issues, evaluating strategic risks, overseeing and guiding acquisitions, strengths of Board Members and their contribution, governance etc.

Some of the performance indicators for the Committees *inter alia* includes understanding the terms of reference, the effectiveness of discussions at the Committee Meetings, the information provided to the Committee to discharge its duties/ obligations and performance of the Committee, support provided to the Board *vis-à-vis* its responsibilities.

Performance of individual Directors was evaluated based on parameters such as attendance at the Meeting(s), contribution to Board deliberations, engagement with colleagues on the Board, ability to guide the Company in key matters, knowledge, and understanding of relevant areas, and responsibility towards stakeholders. All the Directors were subject to self-evaluation and peer evaluation.

The performance of the Independent Directors were evaluated taking into account the above factors as well as independent decision-making and non-conflict of interest.

In addition to the questionnaires, detailed one-on-one in-sighting was carried out by the Chairperson of the N&RC with individual Board Members. A quantitative analysis and Board Effectiveness brief with in-sighting feedback and trends was shared by the Chairperson of the N&RC to all the Board Members. Thereafter, the following process was followed to assimilate and process the feedback:

- A separate Meeting of the Independent Directors was held on March 17, 2023 wherein performance of Non-Independent Directors including the Managing Director (“MD”), Chairman of the Board and of the Board as a whole was evaluated.
- The entire Board discussed the findings of the evaluation with the Independent Directors and also evaluated the performance of the Individual Directors including the MD, the Board as a whole and all Committees of the Board.
- As an outcome of the above process, individual feedback was shared with each Director.

The Board Evaluation discussion was focused on how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was apprised of relevant business issues and related opportunities and risks. The Board discussed various aspects of its functioning and that of its Committees such as structure, composition, Meetings, functions and interaction with management and what needs to be done to further augment the effectiveness of the Board’s functioning.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board. They were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the reporting period. The Board also noted that the actions identified in the past questionnaires based evaluations had been acted upon.

During the F.Y. 2022-23, the Company actioned the feedback from the Board evaluation process conducted in the F.Y. 2021-22.

#### **Remuneration policy and criteria for selection of candidates for appointment as Directors, KMPs and Senior Management**

The Company has in place a policy for remuneration of Directors, KMPs and Members of Senior Management as well

as a well defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees and commission), KMPs and Members of Senior Management. The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates. The policy on remuneration of Directors, KMPs and Senior Management is given as an Annexure to Report on Corporate Governance and is also available at the website of the Company and can be accessed at: <https://www.butterflyindia.com/wp-content/uploads/2021/04/policy-for-appointment-and-evaluation-of-BOD-20.10.2020.pdf>

## **NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES**

### **Board Meetings**

Regular Meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/ Committee Meetings to be held in the forthcoming financial year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board also approves several proposals by circulation from time to time. Your Board of Directors met Eight (8) times during the financial year 2022-23. The details of the meetings and the attendance of the Directors are mentioned in the Report on Corporate Governance which forms part of this Annual Report.

### **Board Committees**

The Board has established Committees as a matter of good corporate governance practice and as per the requirements of the Act and the Listing Regulations.

The Company has the following Six (6) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Nomination & Remuneration Committee (“N&RC”)
3. Corporate Social Responsibility Committee (“CSR Committee”)
4. Stakeholder Relationship Committee (“SRC”)
5. Share Transfer Committee (“STC”)
6. Risk Management Committee (“RMC”)

The composition, terms of reference, number of meetings held and business transacted by the Committees are given in the Report on Corporate Governance which forms part of this Annual Report.

The details of Composition of the Mandatory Committees of the Board are as follows:

#### **Audit Committee**

The Audit Committee comprises of Six (6) members out of which Five (5) are Independent Directors. The Committee is chaired by Mr. A. Balasubramanian (Independent Director). The other Members of the Committee are Mr. P. M. Murty (Independent Director), Ms. Smita Anand (Independent Director), Mr. M. Padmanabhan (Independent Director), Mr. G. S. Samuel (Independent Director) and Mr. Shantanu Khosla (Non-Executive, Non Independent Director). Details of the role and responsibilities of the Audit Committee, the particulars of Meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of this Annual Report. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

#### **Corporate Social Responsibility Committee ("CSR Committee")**

The CSR Committee comprises of Seven (7) Members out of which Five (5) are Independent Directors. The Committee is chaired by Mr. Shantanu Khosla (Non Executive, Non Independent Director). The other Members of the Committee are Mr. Rangarajan Sriram (Managing Director), Mr. P. M. Murty (Independent Director), Ms. Smita Anand (Independent Director), Mr. G. S. Samuel (Independent Director) and Ms. Maheshwari Mohan (Independent Director). Details of the roles and responsibilities of the CSR Committee, the particulars of Members held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of this Annual Report.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, the Company has set up CSR Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure-2**. The CSR Policy as recommended by the CSR Committee and as approved by the Board is available on the website of the Company and can be accessed at: <https://www.butterflyindia.com/wp-content/uploads/2021/04/CSR-POLICY-20.10.2020.pdf>

#### **Nomination & Remuneration Committee ("N&RC"):**

The N&RC comprises of Six (6) Members out of which Five (5) Members are Independent Directors. The Committee is chaired by Ms. Smita Anand (Independent Director). The other Members of the Committee are Mr. P. M. Murty (Independent Director), Mr. A. Balasubramanian (Independent Director), Mr. G. S. Samuel (Independent Director), Mr. M. Padmanabhan, (Independent Director) and Mr. Shantanu Khosla (Non-Executive, Non Independent Director). Details of the role and responsibilities of the N&RC, the particulars of Meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of this Annual Report.

During the year under review, all the recommendations made by the N&RC were accepted by the Board.

N&RC is responsible for, *inter alia*, recommendation and approval of remuneration of the Directors, KMPs and Senior Management. N&RC is also entrusted with the responsibility of framing the criteria for evaluation of the individual Directors, Chairman of the Board, the Board as a whole and its Committees. It also routinely evaluates the working and effectiveness of the Board and manages the succession planning for Board Members and KMPs.

#### **Stakeholders' Relationship Committee ("SRC")**

As on March 31, 2023, the SRC comprises of Five (5) Members out of which Three (3) Members were Independent Directors. The Committee was chaired by Mr. Mathew Job (Non-Executive Non-Independent Director). The other Members of the Committee were Mr. R. Sriram (Managing Director), Ms. Smita Anand (Independent Director), Mr. M. Padmanabhan (Independent Director) and Mr. T. R. Srinivasan (Independent Director). Details of the roles and responsibilities of the SRC, the particulars of Meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of this Annual Report. During the year under review, all the recommendations made by the SRC were accepted by the Board.

Mr. Mathew Job, Chairman of SRC ceased to be the Member and Chairman of the Committee w.e.f. April 30, 2023 pursuant to his resignation as Director of the Company.

Further, Mr. Promeet Ghosh was appointed as Chairman of SRC w.e.f. May 12, 2023.

As on the date of this report, the SRC comprises of Five (5) members. The Committee is chaired by Mr. Promeet Ghosh (Non-Executive Non-Independent Director). The other Members of the Committee are Mr. R. Sriram (Managing Director), Ms. Smita Anand (Independent Director), Mr. M. Padmanabhan (Independent Director) and Mr. T. R. Srinivasan (Independent Director).

#### **Share Transfer Committee ("STC")**

As on March 31, 2023, the STC comprises of Five (5) members out of which Three (3) Members are Independent Directors. The Committee was chaired by Mr. Mathew Job (Non-Executive Non-Independent Director). The other Members of the Committee were Mr. R. Sriram (Managing Director), Ms. Smita Anand (Independent Director), Mr. M. Padmanabhan (Independent Director) and Mr. T. R. Srinivasan (Independent Director). Details of the roles and responsibilities of the STC the particulars of meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of this Annual Report.

Mr. Mathew Job, Chairman of STC ceased to be the Member and Chairman of the Committee w.e.f. April 30, 2023 pursuant to his resignation as Director of the Company.

Further Mr. Promeet Ghosh was appointed as Chairman of SRC w.e.f. May 12, 2023.





Stakeholders' Relationship & Share Transfer Committee ("**SRC & STC**") is responsible for *inter alia* various aspects of interest of the stakeholders, monitoring the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when the need arises, 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 and issue of duplicate certificates, etc.

#### **Risk Management Committee ("RMC")**

The RMC comprises of Eight (8) Members. The Committee is chaired by Mr. M. Padmanabhan (Independent Director). The other Members of the Committee are Mr. P. M. Murty (Independent Director), Ms. Smita Anand (Independent Director), Mr. G. S. Samuel (Independent Director), Mr. A. Balasubramanian (Independent Director), Ms. Maheshwari Mohan (Independent Director), Mr. R. Sriram (Managing Director) and Mr. Shantanu Khosla (Non-Executive Non-Independent Director). Details of the roles and responsibilities of the RMC, the particulars of meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of this Annual Report. During the year under review, all the recommendations made by the RMC were accepted by the Board.

RMC assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management and mitigation framework of the Company. The main objective of the RMC is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of risks including risks related to cyber security.

#### **Risk Management Policy**

The Board has formulated the Company's Risk Management Policy identifying the elements of risk that the Company may face, such as strategic, financial, credit, market, liquidity, security, property, legal, regulatory and other risks, pursuant to the provisions of Section 134(3)(n) of the Act, which has been exhibited on the Company's website and can be accessed at: <https://www.butterflyindia.com/wp-content/uploads/2022/04/Risk-Management-Policy.pdf>

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

In accordance with the requirements of the Act and the Listing Regulations, your Company has a Policy on Related Party Transactions (RPTs) uploaded on the Company's website and can be accessed at: <https://www.butterflyindia.com/investor-relations/#policies>

All RPTs transactions are placed before the Audit Committee for review and approval and to the Board for approval, wherever required. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all RPTs is placed before the Audit Committee for their noting/ approval every quarter.

There were no material significant transactions with related parties during the year as per the last audited financial statements.

Accordingly, the disclosure of transactions entered into with related parties pursuant to the provisions of Section 188(1) of the Act and Rule 8(2) of the Companies (Accounts), Rules 2014 in Form AOC-2 is attached as **Annexure-3**.

None of the Directors and the KMPs has any pecuniary relationships or transactions *vis-à-vis* the Company.

All RPTs are mentioned in the notes to the accounts. The Directors draw attention of the Members to the Notes to the financial statements which sets out the disclosure for RPTs.

#### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ["IEPF"]**

During the year under review, there was no transfer of funds to Investor Education and Protection Fund since such transfer was not applicable for the F.Y. 2022-23.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS, STATUTORY AND QUASI-JUDICIAL BODY**

No significant or material orders were passed by the Regulators/ Court/ Tribunals/ Statutory and quasi-judicial bodies which impact the going concern and Company's operation in future.

#### **RISK ARISING OUT OF LITIGATION, CLAIMS AND UNCERTAIN TAX POSITIONS**

The Company is exposed to a variety of different laws, regulations, positions and interpretations thereof which encompasses direct taxation and legal matters. In the normal course of business, provisions and contingencies may arise due to uncertain tax positions and legal matters.

Based on the nature of matters, the management applies significant judgement when considering evaluation of risk, including how much to provide for the potential exposure of each of the matters. These estimates could change substantially over time as new facts emerge as each matter progresses, hence these are reviewed regularly. For matters where expert opinion is required, the Company involves the best legal counsel.

#### **AUDITORS**

##### **a) Statutory Auditors**

M/s. ASA & Associates LLP, Chartered Accountants (Firm Registration Number: 009571N/N500006), were appointed as Statutory Auditors of the Company by the shareholders at the 35<sup>th</sup> Annual General Meeting ("**AGM**") held on July 14, 2022 to hold office as Statutory Auditors for a second term of Five (5) years, i.e. from conclusion of the 35<sup>th</sup> AGM till conclusion of the 40<sup>th</sup> AGM.

The Board of Directors at their meeting held on May 12, 2023 on the recommendation of the Audit Committee approved the remuneration of M/s. ASA & Associates at ₹22,00,000 (Rupees Twenty Two Lakhs only) for F.Y. 2023-24.

The Auditors' Report for the F.Y. 2022-23 does not contain any reservation, qualification or adverse remark, on the financial statements of the Company. Auditors' Report is self explanatory and therefore, does not require further comments and explanation.

Further, in terms of Section 143 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, notifications/ circulars issued by the Ministry of Corporate Affairs from time to time, no fraud has been reported by the Auditors of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

#### b) Cost Auditors

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to maintain cost records as specified by the Central Government. Accordingly, the Company has made and maintained such cost accounts and records in the prescribed manner. The records maintained by the Company under Section 148 of the Act are required to be audited by a Cost Accountant.

The Board at its Meeting held on May 12, 2023 based on the recommendation of the Audit Committee, approved the appointment of M/s. S. Mahadevan & Co, Cost Accountants (Firm Registration Number: 000007) as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the F.Y. 2023-24. A remuneration of ₹1,75,000 (Rupees One Lakh Seventy Five Thousand only) plus applicable taxes and out-of-pocket expenses, has been fixed for the Cost Auditors subject to the ratification of such fees by the Members at the ensuing AGM. Accordingly, the matter relating to the ratification of the remuneration payable to the Cost Auditors for the ₹1,75,000 2023-24 will be placed at the ensuing AGM. Your Company has received consent and eligibility certificate from M/s. S. Mahadevan & Co.

#### c) Secretarial Auditors & Secretarial Audit Report

The Board at its meeting held on May 11, 2022, appointed M/s. M. Alagar & Associates, Practising Company Secretaries as Secretarial Auditors of the Company to conduct the Secretarial Audit for F.Y. 2022-23. The Secretarial Audit Report is annexed herewith as **Annexure-4** to this Report. There has been no qualification, reservation, or adverse remark given by the Secretarial Auditors in their Report.

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board based on recommendation of the Audit

Committee approved the appointment of M/s. M. Alagar & Associates, Company Secretaries (ICSI Unique Code: P2011TN078800) as Secretarial Auditors to conduct audit of the secretarial records of the Company for the F.Y. 2023-24 at a remuneration of ₹1,40,000 (One lakh Forty Thousand only).

#### d) Internal Auditors

Pursuant to the provisions of Section 138 of the Act, the Board, at its meeting held on May 11, 2022 based on the recommendation of the Audit Committee, had approved the appointment of M/s. Grant Thornton Bharat LLP (Identity number AAA-7677) to conduct the internal audit of your Company for the F.Y. 2022-23.

The Board of Directors at their meeting held on May 12, 2023 has re-appointed M/s. Grant Thornton Bharat LLP as the Internal Auditors of your Company for the F.Y. 2023-24 to review various operations of the Company at remuneration of ₹26,00,000 lakhs (Rupees Twenty Six lakhs only).

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of your Company, which has occurred between the end of the F.Y. of the Company, i.e. March 31, 2023 and the date of this Board Report, i.e. May 12, 2023.

### AWARDS AND RECOGNITIONS

The detailed section on awards & recognitions forms part of this Annual Report.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Your Company is now moving from Business Responsibility Report ("BRR") to the newly introduced reporting parameters, i.e. Business Responsibility & Sustainability Report ("BRSR"). Your Company is proud to publish its first BRSR for the F.Y. 2022-23. The BRSR would follow the format detailed in the amendment to Regulation 34(2)(f) of the Listing Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and forms part of this Annual Report.

The BRSR for F.Y. 2022-23 is aligned with the Nine (9) principles of the National Guidelines on Responsible Business Conduct notified by the Ministry of Corporate Affairs, Government of India.

### CORPORATE GOVERNANCE

Your Company has been complying with the provisions of Corporate Governance as stipulated under applicable provisions of the Listing Regulations. A separate report on Corporate Governance along with Auditors' Certificate on compliance of the Corporate Governance norms as stipulated in Regulation 34(3) of the Listing Regulations forms part of Annual Report are provided as **Annexure-5** to this Board Report.



## PARTICULARS OF EMPLOYEES

There are Two (2) employees who were in receipt of remuneration of not less than ₹1,02,00,000 per annum if employed for the full year or not less than ₹8,50,000 per month if employed for any part of the year.

The information as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-6** to this Board's Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection at the Registered Office of your Company during working hours. The Annual Report and accounts are being sent to the shareholders excluding the aforesaid exhibit. Any Member interested in obtaining such information may write to the Company Secretary & Compliance Officer at the Registered Office of the Company.

## REPORTING OF FRAUD BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee of the Board, 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 this Report.

## ANNUAL RETURN

As required under Section 92 (3) read along with Section 134(3) (a) of the Act, the Annual Return of the Company is placed on the website of the Company and can be accessed at: [www.butterflyindia.com](http://www.butterflyindia.com)

## COMPLIANCE WITH SECRETARIAL STANDARDS ("SS-1 and SS-2")

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India (ICSI) i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

## RE-CLASSIFICATION OF PROMOTERS

During the year under review, the Board of Directors of the Company had received request from Mr. V. M. Lakshminarayanan, Mr. V. M. Balasubramaniam, Mr. V. M. Seshadri, Mr. V. M. Gangadharam, Mr. V. M. Kumaresan, Mr. V. M. L. Karthikeyan, Mr. V. M. L. Senthilnathan, Mr. V. M. S. Namasivayam, Mr. V. M. S. Kumaraguru, Mrs. A. Gandhimathi, Mr. Gangadharam Viswanathan, Mr. V. M. G. Mayuresan, Mrs. V. M. L. Shenbagalakshmi, Mrs. V. M. B. Unnamalai, Mrs. V. M. S. Karpagam, Mrs. V. M. G. Sivakami, Mrs. V. M. K. Mangalam, V. M. Chettiar and Sons India LLP and LLM Appliances Private Limited belonging to promoter / members of

promoter group of the Company vide their letter dated August 17, 2022, for reclassifying their shareholding in the Company from the "Promoter and Promoter group" category to the "public" shareholder category, in accordance with applicable Listing Regulations as amended and rules, regulations and guidelines as applicable in this regard.

Pursuant to the same, an application in terms of Regulation 31A of the Listing Regulations was made to the stock exchanges for their approval for the reclassification.

The Company has received the approval from National Stock Exchange of India Limited and BSE Limited, on January 3, 2023 for reclassification of the said Members of Promoter and Promoter Group to Public Shareholders.

## OPEN OFFER AND MINIMUM PUBLIC SHAREHOLDING COMPLIANCE

An Open Offer was made by Crompton Greaves Consumer Electricals Limited ("**the Holding Company/ Crompton**") to the Public Shareholders of the Company in accordance with Regulation 3(1) and Regulation 4 of the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 for acquisition of up to 46,48,684 fully paid-up equity shares of face value of ₹10.00 (Rupees Ten only) each of the Company, representing 26% of the voting rights of the Company from the Public Shareholders at a price of ₹1,433.90 (Rupees One Thousand Four Hundred Thirty Three and Ninety Paise only). The open offer was fully subscribed and subsequently 81% of equity share capital of the Company was held by the Holding Company.

## MINIMUM PUBLIC SHAREHOLDING COMPLIANCE

Crompton, sold 10,72,775 equity shares of the Company constituting 6% of the total paid-up capital of the Company to the public in accordance with the "Comprehensive Guidelines on Offer for Sale ("**OFS**") of Shares by Promoters through the Stock Exchange Mechanism" issued by the Securities and Exchange Board of India on February 14, 2020 and February 17, 2020, respectively.

Consequently, the Company is now compliant with the Minimum Public Shareholding requirements as mandated under Rules 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 read with Regulation 38 of the Listing Regulations.

The breakup of Promoter and Public Shareholding of the Company post aforesaid sale of shares is provided below:

Category	No of equity shares	% of total paid-up share capital
Promoter and Promoter Group	1,34,09,663	75.00
Public	44,69,888	25.00
Non-Promoter Non Public	Nil	Nil
<b>Total</b>	<b>1,78,79,551</b>	<b>100.00</b>

## MERGERS AND ACQUISITIONS

During the year under review, the Board of Directors of the Company (**"the Board"**) at its meeting held on March 25, 2023, considered and approved the Scheme of Amalgamation of the Company, (**"Transferor Company"**) with Crompton Greaves Consumer Electricals Limited (**"Transferee Company"**) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act read with rules made thereunder (**"Scheme"**).

It is intended to merge the Company with Crompton Greaves Consumer Electricals Limited, with the rationale of further leveraging & utilizing the strengths of both the entities, accelerating the realization of identified synergies, bringing in integrated and coordinated business approach, and improving organizational capability.

The Board of both the entities have approved the proposed transaction on March 25 2023, which is subject to regulatory approvals. Pursuant to the proposed Scheme, the Transferee Company shall issue equity shares to the shareholders of the Transferor Company (other than the Transferee Company) in accordance with the Share Swap Ratio as determined by the registered valuers and as approved by the Board. The Scheme is subject to the receipt of necessary statutory and regulatory approvals including approval of Stock Exchanges, the Securities and Exchange Board of India, the respective shareholders and creditors of respective companies and National Company Law Tribunal(s) (Mumbai & Chennai Benches). Further, the Company has filed the said Scheme of Amalgamation with BSE Ltd. and National Stock Exchange of India Limited on April 7, 2023.

## CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE OUTGO

Information relating to energy conservation, technology absorption, foreign exchange earned and spent, and research and development activities undertaken by the Company in accordance with Section 134(3)(m) of the Act read with Rule 8(3) of Companies (Accounts) Rules, 2014, are given in **Annexure-7** of this Board's Report.

## DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has formulated a comprehensive policy on prevention, prohibition and redressal against sexual harassment of women at workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (**"POSH"**). The said policy has been made available on the website of the Company. The Company has constituted of Internal Complaints Committee (**"ICC"**) under the POSH and has complied with the provision relating to the same. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The constitution of ICC is as per the POSH Act and includes an external member who is an independent POSH consultant with

relevant experience. The POSH Policy is gender inclusive, and the framework ensures complete anonymity and confidentiality. During the year under review, no complaint was received.

## SHARE REGISTRAR & TRANSFER AGENT

M/s. GNSA Infotech Private Limited is the RTA of the Company. Their contact details are mentioned in the Corporate Governance Report and same is also available on the website of the Company <https://www.butterflyindia.com/investor-relations/>

## LISTING WITH STOCK EXCHANGES

The equity shares of your Company are listed on The National Stock Exchange of India Limited (**"NSE"**) and BSE Limited (**"BSE"**). Details of the Company in the Stock Exchanges are as follows:

NSE Symbol	BUTTERFLY
BSE Scrip Code	517421
ISIN	INE295F01017

Your Company has paid the Annual Listing Fees for the F.Y. 2022-23 and F.Y. 2023-24 to both the NSE and BSE, with whom the equity shares of the Company are listed.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to assure the Members that the Financial Statements for the year under review confirm in their entirety to the requirements of the Act and guidelines issued by SEBI. Pursuant to the provisions of Section 134(3)(c) of the Act, to the best of their knowledge and based on the information and explanations received from the Company, your Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- (b) the accounting policies selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit and loss of the Company for that year;
- (c) sufficient care has been taken and that adequate accounting records have been maintained for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (f) the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.



## INSIDER TRADING

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, your Company has instituted a comprehensive Code titled as "Policy on Determination of Legitimate Purpose for Sharing UPSI" which lays down guidelines and advises the Directors and Employees of the Company on procedures to be followed and disclosures to be made while dealing in securities of the Company.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- (i) The Company has not resorted to any buy back of the equity shares during the year under review;
- (ii) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- (iii) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- (iv) The Company has not issued Sweat Equity Shares to the employees of the Company;
- (v) There has been no change in the nature of business of the Company as on the date of this report;
- (vi) There was no revision in the Financial Statements;
- (vii) There were no proceedings, either filed by the Company or filed against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year under review;
- (viii) No instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act;
- (ix) Disclosure of reason for difference between valuation done at the time of taking loan from bank and at the time of one-time settlement. There was no instance of onetime settlement with any Bank or Financial Institution; and
- (x) No fraud has been reported by the Auditors to the Audit Committee or the Board.

## RIGHTS OF SHAREHOLDERS

- right to participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes;
- opportunity to participate effectively and vote in general shareholder Meetings;
- being informed of the rules, including voting procedures that govern general shareholder meetings;
- opportunity to ask questions to the Board of Directors at General Meetings;
- effective shareholder participation in key corporate governance decisions such as election of Members of Board of Directors;
- exercise of ownership rights by all shareholders, including institutional investors;
- adequate mechanism to address the grievances of the shareholders;
- protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress;
- to receive Dividends and other corporate benefits like rights, bonus etc. once approved;
- to inspect statutory registers and documents, including minutes books of the general meetings, as permitted under law; and
- any other rights as specified in the statutory enactments from time to time.

## ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude and appreciation to all the employees of the Company posted at all its locations for their tremendous personal efforts as well as collective dedication and contribution to the Company's performance.

Your Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all other business associates, consultants and all the stakeholders for their continued support extended to the Company and the Management.

## CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company is not obliged to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent development, information or events or otherwise.

For and on behalf of the Board  
For **Butterfly Gandhimathi Appliances Limited**

**P.M. Murty**  
Chairman

Place: Chennai  
Date: May 12, 2023

DIN :00011179

## Annexure -1

# DIVIDEND DISTRIBUTION POLICY

### 1. Background:

This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 introduced on July 8, 2016. This policy will be effective from April 2, 2020, being the date of its approval by the Board of Directors of the Company.

### 2. Objective:

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company while deciding on the declaration of Dividend from time to time. This Policy is applicable to dividend declared/recommended on the equity shares of the Company and does not cover dividend on preference shares, if any, where the rate of dividend is governed by the terms of the issue of preference shares or any other form of dividend.

### 3. Parameters to be considered for declaration of Dividend:

The Board of Directors may declare interim dividend /recommend final dividend for consideration of shareholders of the Company.

As in the past, subject to the provisions of applicable laws, the Company's dividend pay-out will be determined by the Board of Directors from time to time based on the available financial resources, investment requirements and other factors more fully described hereunder.

The Board of Directors of the Company will consider the following parameters while recommending/declaring Dividend:

#### 3.1 Financial Parameters/Internal Factors:

1. Standalone/net operating profit after tax;
2. Operating cash flow of the Company for the year;
3. Liquidity position, aggregate Debt of the Company, debt service coverage position etc.;
4. Loan repayment and Working Capital requirements;
5. Capital expenditure requirements;
6. Resources required for funding acquisitions, mergers and/or new businesses;

7. Cash flow required for meeting tax demands and other contingencies;
8. Regulatory and growth requirement of Capital Adequacy;
9. Regulatory and growth requirement of Solvency;
10. Trend of dividends paid in the past years;
11. Any windfall, extraordinary or abnormal gains made by the Company; &
12. Any other factor not explicitly covered above but which is likely to have a significant impact on the Company.

#### 3.2. External Factors:

1. Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting laws;
2. Dividend pay-out ratios of companies in the same industry;
3. Any other factor that has a significant influence / impact on the Company's working/financial position of the Company.

The Board of Directors may additionally recommend special dividend in special circumstances.

### 4. Circumstances under which the shareholders may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- 4.1. In the event of inadequacy of profits or whenever the Company has incurred losses;
- 4.2. Significant cash flow requirements towards higher working capital requirements/ tax demands/ or others, adversely impacting free cash flows;
- 4.3. An impending/on-going capital expenditure programme or any acquisition or investment in joint ventures requiring significant allocation of capital;
- 4.4. Allocation of cash required for buy back of securities;
- 4.5. Any of the above referred internal or external factors restraining the Company from considering dividend;

**5. Utilisation of retained earnings:**

The Company may declare dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this policy, Profits retained in the business will be invested in the business / operations of the Company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditure/ acquisition(s) and for all other corporate purposes.

**6. Parameters to be adopted with regard to various classes of shares:**

Presently, the Authorised Share Capital of the Company is divided into equity shares of Rs.10/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

Currently, the Company has issued one class of equity shares with equal voting rights. As and when the Company issues different class of shares, the Board of Directors may suitably amend this Policy.

**7. Procedure:**

7.1. The dividend proposal placed before the Board for consideration shall be in terms of this Policy.

7.2. The Company shall ensure compliance of provisions of applicable Laws and this Policy in relation to Dividend declared by the Company.

**8. Disclosure:**

The Company shall make appropriate disclosures as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**9. General:**

9.1 This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorised from time to time, on the subject matter.

9.2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

9.3 In case of any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.



**Annexure -2**

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

## FOR THE FINANCIAL YEAR 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

**1. Brief outline on CSR Policy of the Company:**

The Company have always been contributing to CSR activities much before it became mandated under the Companies Act 2013. The Company focusses on fulfilling its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/projects and programmes for welfare, sustainability and development of community at large. The activities or projects that will be undertaken by the Company shall include one or more of the activities specified in CSR Policy as may be recommended by the CSR Committee and approved by the Board of Directors.

**2. Composition of CSR Committee:**

Sl. 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.	Mr. Shantanu Khosla	Chairman - Non- Executive Non-Independent	1	1
2.	Mr. P. M. Murty	Member - Non-Executive Independent	1	1
3.	Ms. Smita Anand	Member - Non-Executive Independent	1	1
4.	Mr. Rangarajan Sriram	Member - Managing Director	1	1
5.	Mr. T. R. Srinivasan	Member - Non-Executive Independent	1	1
6.	Mr. G. S. Samuel	Member - Non-Executive Independent	1	1
7.	Ms. Maheshwari Mohan	Member - Non-Executive Independent	1	1

**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:**

- Composition of CSR committee:- <https://www.butterflyindia.com/investor-relations/>
- CSR Policy: <https://www.butterflyindia.com/wp-content/uploads/2021/04/CSR-POLICY-20.10.2020.pdf>

**4. Provide the executive summary along with 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 section 135(5): **₹171.85 lakh**
- (b) Two percent of average net profit of the company as per section 135(5): **₹3.44 lakh**
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(d) Amount required to be set off for the financial year, if any: **Nil**

(e) Total CSR obligation for the financial year ( 5(b)+5(c)-5(d)): **₹3.44 lakh**

**6. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹3.44 lakh**

(b) Amount spent in Administrative Overheads. **Nil**

(c) Amount spent on Impact Assessment, if applicable. **Nil**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. **₹2.80 lakh**

(e) CSR amount unspent for the Financial Year: **₹0.64 lakh\***

\*The Company is in process of transferring the the unspent amount of ₹0.64 lakhs to PM Care Funds.



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

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	3.44 lakhs
(ii)	Total amount spent for the Financial Year	2.80 lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

### 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY- 2021-22	NA	NA	NA	NA	NA	NA	NA
2	FY- 2020-21	NA	NA	NA	NA	NA	NA	NA
3	FY- 2019-20	NA	NA	NA	NA	NA	NA	NA

### 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Furnish the details relating to such asset(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 section 135(5).

The Company is process of transferring the unspent amount of ₹0.64 Lakhs for F.Y. 2022-23 to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) on or before September 30, 2023.

In the said rules, in the e-form CSR 1, for serial number 1 and the entries relating thereto, the following serial number shall be substituted, namely:-

- Company established under Section 8, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 and approved under Section 80G of the Income Tax Act, 1961.

- Company established under Section 8, registered under Section 12A and approved under Section 80G of the Income Tax Act, 1961.
- Registered public trust, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 and approved under Section 80G of the Income Tax Act, 1961.
- Registered public trust, registered under Section 12A and approved under Section 80G of the Income Tax Act, 1961
- Registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 and approved under Section 80G of the Income Tax Act, 1961.
- Registered society, registered under Section 12A and approved under Section 80G of the Income Tax Act, 1961.
- Company established under Section 8 or registered Trust or registered Society established by the Central Government or State Government.
- Entity established under an Act of Parliament or State Legislature.

For and on behalf of the Board of Directors

**Rangarajan Sriram**  
Managing Director  
(DIN:09550640)

**Shantanu Khosla**  
Chairman of CSR Committee  
(DIN:00059877)

Place: Chennai  
Date: May 12, 2023

**Annexure -3**
**FORM NO. AOC -2**
**Particulars of contracts / arrangements made with related parties.**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis**

The details of contracts or arrangements or transactions not at arm's length basis for the year ended March 31, 2023 are as follows:

Particulars	Nature of Relationship	Duration of Contract	Date of Approval by Board	Salient Terms	Justification	Date of Special Resolution	Amount paid as advances	Amount (in Lakhs)
<b>Nature of Contract</b>								
<b>Availing of services</b>								
Crompton Greaves Consumer Electricals Limited	Holding Company	2 years (June 01, 2022 to May 31, 2024)	May 11, 2022	Secondment of Employee(s)	To obtain management resources for marketing on Secondment from Crompton. (Mr. Anil Gurnani)	NA	-	145.66
		2 years (November 01, 2022 to October 31, 2024)	October 15, 2022		To obtain management resources for Human Resources / Research & Development / IT / Procurement on Secondment from Crompton. (Mr. Rajasekar T. / Mr. C. R. Senthil / Mr. Gaurishankar M. / Mr. Vaibhav K.)	NA	-	97.34
		2 years (February 02, 2023 to February 01, 2025)	January 23, 2023		To provide management resources for all Planning & Logistics related activities on Secondment from Crompton (Ms. Shristi Gupta)	NA	-	9.63
		2 years (March 25, 2023 to March 24, 2025)	March 25, 2023		To obtain management resources for all secretarial related activities on Secondment from Crompton. (Mr. Viral Sarvaiya)	NA	-	0.37
		2 years (March 30, 2022 to March 29, 2024)	March 30, 2022		To obtain management resources on Secondment to oversee business operations and provide the identified services from Crompton. (Mr. Rangarajan Sriram)	NA	-	279.79
		2 years (March 30, 2022 to March 29, 2024)	March 30, 2022		To obtain management resources on Secondment to oversee business operations and provide the identified services from Crompton. (Ms. Ananda Shalini)	NA	-	67.52

### Details of contracts or arrangements or transactions at arm's length basis

(\*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" a transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year a) exceeds 1,000 Crore or b) 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.)

- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/ arrangements/ transactions: N.A.
- (c) Duration of the contracts/ arrangements/ transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Date(s) of approval by the Board, if any: N.A.
- (f) Amount paid as advances, if any: N.A.

Place : Chennai  
Date : May 12, 2023

**P. M. Murty**  
Chairman  
DIN: 00011179

**Annexure -4****Form No. MR-3****SECRETARIAL AUDIT REPORT****For the Financial Year ended March 31, 2023**

[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  
**Butterfly Gandhimathi Appliances Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2023 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and 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 March 31, 2023 according to the provisions of:

1. The Companies Act, 2013 ('Act') and the rules made thereunder, as amended from time to time including Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and as mandated by the Companies Act, 2013.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder,
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder,
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment & External Commercial Borrowings,
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:-
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (there were no events requiring compliance during the Audit Period)
  - (iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - (vi) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (there were no events requiring compliance during the Audit Period)
  - (vii) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (there were no events requiring compliance during the Audit Period)
  - (viii) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (there were no events requiring compliance during the Audit Period)
  - (ix) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (there were no events requiring compliance during the Audit Period)
6. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**We further report that** adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that**, based on the information provided and the representation made by the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the following events had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- i. During the financial year, **Crompton Greaves Consumer Electricals Limited**, Promoter Holding Company has acquired 46,48,684 fully paid-up equity shares having face value of Rs. 10 (Indian Rupees Ten only) each of the Company, representing 26% of the Paid-up share capital of the Company from the public shareholders through open offer in accordance with the Regulation 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Consequently, the promoters' shareholding increased to 81%, which is higher than the Minimum Public Shareholding stipulated in Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**"). The promoter disposed 9,65,497 equity shares of the Company through offer for sale to non-retail investors

on September 20, 2022 and 1,07,278 equity shares to retail investors on September 21, 2022 in order to comply with Minimum Public Shareholding requirements as mandated under Rule 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 read with Regulation 38 of SEBI LODR.

- ii. Pursuant to the acquisition of the **Company by Crompton Greaves Consumer Electricals Limited**, an application was made to BSE Ltd and National Stock Exchange Limited ("**Stock Exchanges**") for reclassification of certain individuals and body corporate from 'Promoter and Promoter Group' to 'Public category' on August 17, 2022 and the same received approval from Stock Exchanges on January 03, 2023.
- iii. The Board of Directors of the Company, at its meeting held on March 25, 2023 approved the Scheme of Amalgamation of **Butterfly Gandhimathi Appliances Limited ("Transferor Company")** with **Crompton Greaves Consumer Electricals Limited ("Transferee Company")** and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

**For M/s. M. Alagar & Associates**  
Practising Company Secretaries  
Peer Review Certificate No: 1707/2022

**M. Alagar**

Managing Partner

Place: Chennai  
Date: May 12, 2023

FCS No: 7488/ CoP No: 8196  
UDIN: F007488E000294544

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



## ANNEXURE - I

# ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members  
**Butterfly Gandhimathi Appliances Limited**

Our report is to be read along with this letter.

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

**For M/s. M. Alagar & Associates**  
Practising Company Secretaries

Place: Chennai  
Date: May 12, 2023

**M. Alagar**  
Managing Partner  
FCS No: 7488/ CoP No: 8196  
UDIN: F007488E000294544

## Annexure -5

## Report on Corporate Governance

Pursuant to Regulation 34 (3) read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Listing Regulations”), the Company submits the report on the matters mentioned in the said Schedule V of the SEBI Listing Regulations and the practices followed by the Company.

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Butterfly Gandhimathi Appliances Limited (“Butterfly/ the Company”) aims to provide high quality kitchen and electrical appliances that offer ergonomic features and attractive design at great value for money to our customers and provide service that gives satisfaction to them, while upholding the core values of transparency, integrity, honesty, accountability and compliance with laws. We consider stakeholders at all levels as partners in our success and we remain committed to maximizing value for shareholders. The Company continuously endeavours to review, strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its various business segments.

Company's philosophy fulfils its responsibility as a Corporate entity and lays down the guidelines and mechanism for carrying out socially useful activities/ projects and programmes for welfare, sustainability and development of community at large. Company has adopted the Code of Conduct for its employees, including the Managing Director (“MD”), which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. As a trustee to the stakeholders of the Company, Butterfly's Board ensures that its values and goals are aligned to shareholders value and growth. The Board is responsible for and committed to sound principles of Corporate Governance in the Company.

Further, your Company has complied with the following discretionary requirements as listed out in Part-E of Schedule II of the SEBI Listing Regulations which are elaborated as under:

- The office of the Chairman is occupied by a Non- Executive Independent Director of the Company;

The detailed Composition of the Board is as follows:

S. No.	Name of the Director	Category of Directors
1.	Mr. P. M. Murty	Chairman, Non-Executive, Independent Director
2.	Mr. A. Balasubramanian	Non-Executive Independent Director
3.	Mr. Rangarajan Sriram	Managing Director
4.	Mr. Shantanu Khosla	Non-Executive Non-Independent Director
5.	Mr. Mathew Job*	Non-Executive Non-Independent Director
6.	Ms. Smita Anand	Non-Executive Independent Director
7.	Mr. M. Padmanabhan	Non-Executive Independent Director
8.	Mr. T. R. Srinivasan	Non-Executive Independent Director
9.	Mr. G. S. Samuel	Non-Executive Independent Director
10.	Ms. Maheshwari Mohan	Non-Executive Independent Director
11.	Mr. Promeet Ghosh#	Non-Executive Non-Independent Director

\* resigned w.e.f. April 30, 2023

# appointed w.e.f May 12, 2023

- The Company has a distinct Non-Executive Chairman and a Managing Director, who are not related to one another;
- The audit report of the Company's Financial Statements for the F.Y. ended March 31, 2023 is unmodified; and
- The Internal Auditors of the Company directly reports to the Audit Committee of the Board.
- The Company follows a robust process of communicating with the shareholders which have been elaborated in the Report under the heading “Means of Communication”.

### BOARD OF DIRECTORS

#### Composition

Your Company has formulated and adopted the Policy on Appointment & Evaluation of Board of Directors and Senior Management to ensure that the composition of the Board is optimum, balanced and to benefit from fresh perspectives, new ideas and broad experience. The Company's Board Members are from diverse backgrounds with skills and experience in critical areas like manufacturing, global finance, taxation banking, legal, entrepreneurship, and general management. Many of them have worked extensively in senior management positions with a deep understanding of the global business environment. The Board reviews its strength and composition from time to time ensure that it remains aligned with the statutory, as well as business requirements.

Butterfly's Board comprises the combination of Independent and Non-Independent Directors, including an Independent Women Directors in line with the Regulation 17 and 17A of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 (“the Act”). The Company's MD is the only Executive Director on the Board.

Mr. P. M. Murty (DIN:00011179) was appointed as an Additional Director (Non-Executive Independent) of the Company by the Board on the recommendation of Nomination and Remuneration Committee (“N&RC”) w.e.f. April 1, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Mr. P. M. Murty as an Independent Director for a period of Five (5) years w.e.f. April 1, 2022 to March 31, 2027.

Ms. Smita Anand (DIN:00059228) was appointed as an Additional Director (Non-Executive Independent) of the Company by the Board on the recommendation of N&RC w.e.f. April 1, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Ms. Smita Anand as an Independent Director for a period of Five (5) years w.e.f. April 1, 2022 to March 31, 2027.

Mr. P. R. Ramesh (DIN:01915274) was appointed as an Additional Director (Non-Executive Independent) of the Company by the Board on the recommendation of N&RC w.e.f. April 1, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Mr. P. R. Ramesh as an Independent Director for a period of Five (5) years w.e.f. April 1, 2022. Mr. P. R. Ramesh had tendered his resignation w.e.f. November 9, 2022. The Board has placed on record its appreciation for the guidance and support provided by Mr. P. R. Ramesh during his tenure.

Mr. Rangarajan Sriram (DIN:09550640) was appointed as an Additional Director designated as the Managing Director of the Company by the Board on the recommendation of N&RC w.e.f. March 30, 2022. The Members of the Company vide special resolution passed through postal ballot on June 25, 2022 approved the appointment of Mr. Rangarajan Sriram as Director & designated him as Managing Director for a period of Two (2) years w.e.f. March 30, 2022 to March 29, 2024.

Mr. Shantanu Khosla (DIN:00059877) was appointed as an Additional Director (Non-Executive Non-Independent) of the Company by the Board on the recommendation of N&RC w.e.f. March 30, 2022. The Members of the Company through postal ballot dated June 25, 2022 approved the appointment of Mr. Shantanu Khosla as Non-Executive Non-Independent Director of the Company liable to retire by rotation.

Mr. Mathew Job (DIN:02922413) was appointed as an Additional Director (Non-Executive Non-Independent) of the Company by the Board on the recommendation of N&RC w.e.f. March 30, 2022. The Members of the Company through postal ballot dated June 25, 2022 approved the appointment of Mr. Mathew Job as Non-Executive Non-Independent Director of the Company liable to retire by rotation. Mr. Mathew Job has resigned from the position of Non-Executive Non-Independent Director on the Board w.e.f. April 30, 2023. The Board has placed on record its appreciation for the guidance and support provided by Mr. Job during his tenure.

The Board of Directors of the Company on May 12, 2023 with the recommendation of N&RC has appointed Mr. Promeet Ghosh as an Additional Director (Non-Executive Non-Independent) of the Company w.e.f. May 12, 2023. Further, the N&RC and Board of Directors of the Company have also recommended to the Members the appointment of Mr. Promeet Ghosh as Non-Executive Non-Independent at the ensuing AGM.

During the F.Y. under review, Members of the Company vide the Special Resolution by way of Postal Ballot dated March 02, 2023 approved continuation of directorship of Mr. T. R. Srinivasan & Mr. A. Balasubramanian, Non-Executive Independent Directors beyond the age of 75 years till the expiry of their current tenure, i.e., July 31, 2024.

The Board of Directors comprises of highly qualified and experienced persons of repute and eminence, who ensure that the time-honoured culture of maintaining sound standards of corporate governance is further nurtured. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth. The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company’s business.

The profiles of Board Members encompassing details of age, date of initial appointment, tenure on Board, term ending date, shareholding, Board Membership in Indian listed companies, committee details as per Regulation 26 of the SEBI Listing Regulations and areas of expertise are given in the forth coming sections.

There are no *inter-se* relationships between our Board Members. The Company does not have any pecuniary relationship with any of the Non-Executive Director.

As on March 31, 2023, the Board of your Company comprises of Ten (10) directors, out of which Nine (9) Directors were Non-Executive Directors (90% NED’s representation on the Board). The Chairman of the Board is an Non-Executive Independent Director. Out of Seven (7) Independent Directors (“IDs”) which comprises more than half of the Board, Two (2) are Women Directors (20% women representation on the Board). The composition of the Board of your Company is in conformity with the SEBI Listing Regulations as well as provisions of the Act.

As on the date of this Report, Board consists of Ten (10) Directors - One (1) Executive Director, Nine (9) Non-Executive Director of whom Seven (7) are Independent Directors including Two (2) Women Independent Directors.

The Composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the Company’s business.



Your Company has formulated and adopted the Nomination and Remuneration Policy to ensure that the composition of the Board is optimum, balanced and diverse to benefit from fresh perspectives, new ideas and broad experience.

In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on periodical basis. On the basis of such disclosures, it is confirmed that as on March 31, 2023, none of the Directors of the Company:

- holds Directorship positions in more than Twenty (20) companies [including Ten (10) public limited companies and Seven (7) listed companies;

- holds Executive Director position and serves as an Independent Director in more than Three (3) listed companies; and
- is a Member of more than Ten (10) Committees and/ or Chairperson of more than Five (5) Committees, across all the Indian public limited companies in which they are Directors.

For the purpose of the limit of the Board Committees, Chairpersonship and Membership, Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations.

#### Number of other Boards of Directors or Committees in which Directors of the Company are Member/ Chairperson:

Name of the Directors	Designation	No of Directorship (s) held in other Public Companies*	Directorship held in listed companies** (Including Butterfly)		
			Directorships	Member of Committee(s)	Chairman of Committee
Mr. P. M. Murty (DIN:00011179)	Chairman, Independent Director	2	2	3	0
Mr. A. Balasubramanian (DIN:00490921)	Independent Director	2	2	3	3
Mr. Rangarajan Sriram (DIN:09550640)	Managing Director	0	1	1	0
Mr. Shantanu Khosla (DIN:00059877)	Non-Executive Non-Independent	1	2	2	0
Mr. Mathew Job <sup>§</sup> (DIN:02922413)	Non-Executive Non-Independent	1	2	1	1
Ms. Smita Anand (DIN:00059228)	Independent Director	1	2	2	0
Mr. M. Padmanabhan (DIN:00101997)	Independent Director	1	2	4	1
Mr. T. R. Srinivasan (DIN:00367302)	Independent Director	0	1	1	0
Mr. G. S. Samuel (DIN:05284689)	Independent Director	1	2	3	2
Ms. Maheshwari Mohan (DIN:07156606)	Independent Director	1	2	0	0
Mr. Promeet Ghosh <sup>®</sup> (DIN:05307658)	Non-Executive Non-Independent	1	1	2	1

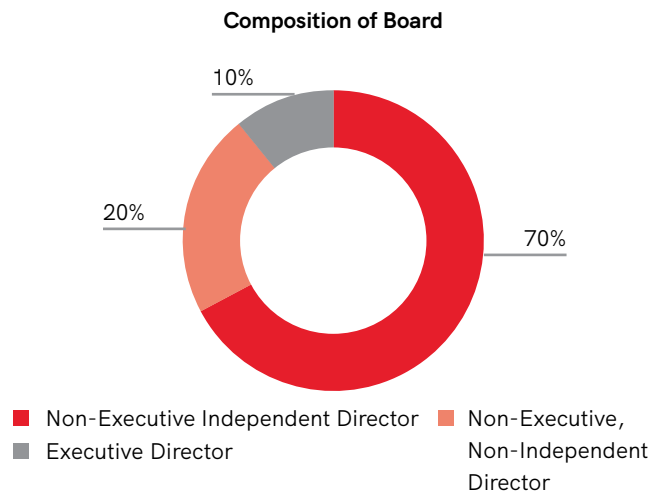
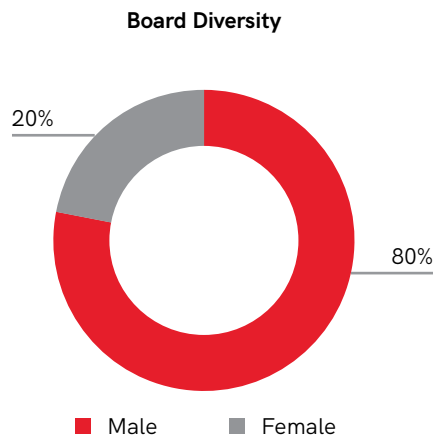
\* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Act and excludes Directorship of Butterfly Gandhimathi Appliances Limited.

\*\* For the purpose of calculating the above, only Audit and Stakeholders Relationship Committee in public limited companies, whether listed or not, are considered - Regulation 26(1) of the SEBI Listing Regulations.

<sup>§</sup> Resigned w.e.f. April 30, 2023.

<sup>®</sup> Appointed w.e.f. May 12, 2023

### Size and Composition of the Board as on March 31, 2023



### MEETINGS OF THE BOARD & ATTENDANCE OF THE DIRECTORS

#### Board Meetings

The Board and the Committee Meetings of the Company are pre-scheduled and a tentative annual calendar of the Meetings of the Company are circulated to all the Board & Committee Members at the beginning of the Financial Year in order to facilitate them to plan their schedules and to ensure the participation of all the Members in the meetings of the Board & Committee. However, in case Company has any special business that need to be transacted at urgent basis, the same is conducted by passing resolution(s) through circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

A detailed notice & the agenda setting out the business to be transacted at the Meeting(s), supported by detailed notes and presentations, if any for each meeting is sent to the Directors at least Seven (7) days before the date of the Board Meeting(s) and the Committee Meeting(s) to enable the Directors to take an informed decision. Any agenda items which are in the nature of Unpublished Price Sensitive Information, such agenda items are circulated at a shorter notice with the prior approval of the Board Members. The Agenda of the Board/ Committee Meetings are set by the Company Secretary in consultation with the Chairman or the Managing Director of the Company.

Inputs and feedback of the Board Members are taken and considered while preparing the agenda and documents for the Board and Committee meetings. The Notice & the

Agenda are circulated through a web-based application for transmitting Board/ Committee Agenda and Pre-reads. The Directors of the Company receive the Agenda and pre-reads in electronic form through the application, which can be accessed through web browser. A soft copy of the said Agenda(s) is shared to the registered email address of the Board & the Committee Members.

The meetings are generally held at the Company's Corporate Office at "E-34, 2<sup>nd</sup> Floor, Rajiv Gandhi salai, Egattur Village, Navalur - 600130 Chengalpattu District". Video/ Audio-conferencing facilities are also provided by the Company to the Directors who cannot participate in the meeting physically due to their pre-occupations, travelling or who are located at other locations at the time of the Meeting(s).

The Board meets at regular intervals to discuss and review the quarterly results and other businesses on the agenda, and on the Annual General Meeting ("AGM"). Additional meetings are held as and when required.

The Board of your Company met at least once in every quarter and the gap between Two (2) Board Meetings did not exceed the period of One Hundred and Twenty days (120). The details of the meeting are given below. During the year, the Board had also transacted some of the business by passing Circular Resolutions.

The Board of Directors met Eight (8) times during F.Y. 2022-23, i.e. on April 1, 2022, May 11, 2022, June 23, 2022, July 14, 2022, October 15, 2022, January 23, 2023, March 25, 2023 (at 10:00 AM) and March 25, 2023 (at 3:00 PM).

**Attendance of the Directors for the F.Y. 2022-23**

Name of the Directors	No. of Board Meetings entitled to attend	No. of Board Meetings attended	Attendance of previous AGM held on July 14, 2022	No. of Shares held by the Director
Mr. P. M. Murty	8	8	Yes	-
Mr. P. R. Ramesh <sup>#</sup>	5	5	Yes	-
Mr. Rangarajan Sriram	8	8	Yes	-
Mr. Shantanu Khosla	8	6	Yes	-
Mr. Mathew Job <sup>*</sup>	8	4	No	-
Ms. Smita Anand	8	8	Yes	-
Mr. M. Padmanabhan	8	8	Yes	-
Mr. A. Balasubramanian	8	8	Yes	-
Mr. G. S. Samuel	8	8	Yes	-
Mr. T. R. Srinivasan	8	8	Yes	-
Ms. Maheshwari Mohan	8	8	Yes	-

<sup>#</sup> Resigned from the Board w.e.f. November 09, 2022.

<sup>\*</sup> Resigned from the Board w.e.f. April 30, 2023.

**List of Directorship held in other Listed Entities**

Name of Director	Name of Listed Entities	Category
Mr. A. Balasubramanian	1. Nelcast Limited	Non-Executive Independent Director
Mr. M. Padmanabhan	1. Quintegra Solutions Limited	Chairman, Non-Executive Non-Independent Director
Mr. G. S. Samuel	1. Swelect Energy Systems Limited	Non-Executive Independent Director
Ms. Smita Anand	1. Crompton Greaves Consumer Electricals Limited	Non-Executive Independent Director
Mr. P. M. Murty	1. Crompton Greaves Consumer Electricals Limited	Non-Executive Independent Director
Ms. Maheshwari Mohan	1. Nelcast Limited	Non-Executive Independent Director
Mr. Shantanu Khosla	1. Crompton Greaves Consumer Electricals Limited	Executive Vice Chairman *
Mr. Mathew Job <sup>§</sup>	1. Crompton Greaves Consumer Electricals Limited	Executive Director & Chief Executive Officer <sup>#</sup>
Mr. T. R. Srinivasan	Nil	Nil
Mr. Rangarajan Sriram	Nil	Nil
Mr. Promeet Ghosh <sup>@</sup>	1. Crompton Greaves Consumer Electricals Limited	Managing Director & Chief Executive Officer (MD & CEO) <sup>%</sup>

\*Managing Director till April 30, 2023, Executive Vice Chairman w.e.f. May 1, 2023.

<sup>§</sup>Resigned from the Board w.e.f. April 30, 2023.

<sup>#</sup>Executive Director till April 24, 2023 and Chief Executive Director till April 30, 2023.

<sup>@</sup>Appointed on the Board w.e.f. May 12, 2023.

<sup>%</sup>Appointed as MD & CEO w.e.f. May 1, 2023

None of the Directors are Director in more than Ten (10) Public Limited Companies or acts as an Independent Director in more than Seven (7) Listed Companies. Further, none of the Director acts as a member of more than Ten (10) Committees or acts as a Chairman of more than Five (5) Committees across all public limited companies in which he or she is a Director. The Independent Directors have confirmed that they satisfy the "criteria of independence" as stipulated in the Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

#### **Role of the Board of Directors**

- The primary role of the Board is that of trusteeship - to protect and enhance shareholders' value through strategic direction to the Company.
- As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholders' value and its growth.
- It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.
- It monitors the effectiveness of the Company's governance practices and makes changes as needed.

- It provides strategic guidance to the Company, ensures effective monitoring of the Management and is accountable to the Company and the shareholders.
- It exercises independent judgment on corporate affairs.
- It assigns sufficient number of Non-Executive Members of the Board of Directors capable of exercising independent judgment in tasks where there is a potential for conflict of interest.

#### **Disclosure of relationships between directors *inter-se***

In terms of Section 2(77) of the Companies Act, 2013, none of the Director is related to each other.

#### **Number of shares and convertible instruments held by Non-Executive Directors**

None of the Non-Executive Directors held any equity share or convertible instruments of the Company for the financial year ended March 31, 2023.

#### **Key Board Skills, Expertise and Competencies**

As on March 31, 2023, the Board comprises of qualified Members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings.

The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

Skill Identified	Coverage
 <p>Industry Acumen</p>	<p>Industry experience through detailed knowledge of the Company or the sector in which it operates, as well as those who understand the broader industry environment.</p>
 <p>Financial</p>	<p>Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.</p>
 <p>Diversity</p>	<p>Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board’s understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.</p>
 <p>Leadership</p>	<p>Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.</p>
 <p>Technology and Innovation</p>	<p>An appreciation of emerging trends in product design and development, research, disruptions in technology and in business models.</p>
 <p>Mergers and Acquisitions</p>	<p>A history of leading growth through acquisitions and other business combinations, with the ability to assess “make or buy” decisions, analyse the fit of a target with the Company’s strategy and culture, accurately value transactions, and evaluate operational integration plans.</p>
 <p>Board Service and Governance</p>	<p>Service on other public company boards, to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.</p>
 <p>Sales and Marketing</p>	<p>Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance brand reputation.</p>
 <p>Strategy &amp; Operations</p>	<p>Ability to think strategically, identify and assess strategic opportunities &amp; threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company’s policies &amp; priorities and Demonstrated strengths in developing talent, succession planning, driving change and long term growth.</p>
 <p>Risk Expertise</p>	<p>Experience in identifying and evaluating the significant risk exposures to the business strategy of the Company and assess the Management’s actions to mitigate the strategic, legal and compliance, and operational risk exposures.</p>
 <p>General Management</p>	<p>Experience in leading well-governed large organisations, possessing intrinsic leadership skills including the ability to appropriately represent the Company, set appropriate Board and organisation culture.</p>
 <p>Sustainability, and Environment, Social and Governance (ESG)</p>	<p>Experience in leading the sustainability and ESG visions of organizations, to be able to integrate these into the strategy of the Company.</p>
 <p>Cybersecurity</p>	<p>Experience in assessing and managing cybersecurity-related risks and in implementing the cybersecurity policies, procedures, and strategies.</p>

## The Board of Directors\*

### Mr. P. M. Murty

Non-Executive Independent Director

<b>Nationality</b>	Indian
<b>Age</b>	72 Years
<b>Date of Appointment</b>	April 01, 2022
<b>Date of Re-Appointment</b>	-
<b>Shareholding</b>	Nil
<b>Board Membership - Indian Listed Companies</b>	1. Butterfly Gandhimathi Appliances Limited 2. Crompton Greaves Consumer Electricals Limited

#### Areas of expertise






 Financial	 Leadership	 General Management	 Industry Acumen
 Board Service & Governance	 Mergers & Acquisitions		

### Mr. A. Balasubramanian

Non-Executive Independent Director

<b>Nationality</b>	Indian
<b>Age</b>	74 Years
<b>Date of Appointment</b>	November 14, 2011
<b>Date of Re-Appointment</b>	August 01, 2019
<b>Shareholding</b>	Nil
<b>Board Membership - Indian Listed Companies</b>	1. Butterfly Gandhimathi Appliances Limited 2. Nelcast Limited

#### Areas of expertise

 Financial	 Leadership	 Board Service & Governance
 Risk Expertise	 General Management	

### Mr. Rangarajan Sriram

Managing Director

<b>Nationality</b>	Indian
<b>Age</b>	50 Years
<b>Date of Appointment</b>	March 30, 2022
<b>Date of Re-Appointment</b>	-
<b>Shareholding</b>	Nil
<b>Board Membership - Indian Listed Companies</b>	Butterfly Gandhimathi Appliances Limited

#### Areas of expertise











 Leadership	 Technology & Innovation	 Industry Acumen	 General Management	 Risk Expertise
 Sales and Marketing	 Financial	 Strategy & Operations	 Board Service & Governance	

### Mr. Shantanu Khosla

Non-Executive Non-Independent Director

<b>Nationality</b>	Indian
<b>Age</b>	63 Years
<b>Date of Appointment</b>	March 30, 2022
<b>Date of Re-Appointment</b>	-
<b>Shareholding</b>	Nil
<b>Board Membership - Indian Listed Companies</b>	1. Butterfly Gandhimathi Appliances Limited 2. Crompton Greaves Consumer Electricals Limited

#### Areas of expertise

 Industry Acumen	 Leadership	 Strategy & Operations	 Mergers & Acquisitions	 General Management
 Financial	 Technology & Innovation	 Board Service & Governance	 Cybersecurity	 Sales and Marketing






\*The details of the Board of Directors and expertise is as at March 31, 2023

### Mr. Mathew Job \*

Non-Executive Non-Independent Director

<b>Nationality</b>	<b>Indian</b>
<b>Age</b>	<b>53 Years</b>
<b>Date of Appointment</b>	<b>March 30, 2022</b>
<b>Date of Re-Appointment</b>	<b>-</b>
<b>Shareholding</b>	<b>Nil</b>
<b>Board Membership - Indian Listed Companies</b>	<b>1. Butterfly Gandhimathi Appliances Limited</b> <b>2. Crompton Greaves Consumer Electricals Limited</b>

#### Areas of expertise

 Industry Acumen	 Leadership	 Strategy & Operations	 Mergers & Acquisitions	 General Management
 Financial	 Sales and Marketing	 Board Service & Governance	 Technology & Innovation	 Sustainability & ESG





\* Resigned w.e.f. April 30, 2023

### Ms. Smita Anand

Non-Executive Independent Director

<b>Nationality</b>	<b>Indian</b>
<b>Age</b>	<b>63 Years</b>
<b>Date of Appointment</b>	<b>April 01, 2022</b>
<b>Date of Re-Appointment</b>	<b>-</b>
<b>Shareholding</b>	<b>Nil</b>
<b>Board Membership - Indian Listed Companies</b>	<b>1. Butterfly Gandhimathi Appliances Limited</b> <b>2. Crompton Greaves Consumer Electricals Limited</b>

#### Areas of expertise






 Diversity	 General Management
 Leadership	 Board Service & Governance

### Mr. M. Padmanabhan

Non-Executive Independent Director

<b>Nationality</b>	<b>Indian</b>
<b>Age</b>	<b>73 Years</b>
<b>Date of Appointment</b>	<b>January 30, 1999</b>
<b>Date of Re-Appointment</b>	<b>August 01, 2019</b>
<b>Shareholding</b>	<b>Nil</b>
<b>Board Membership - Indian Listed Companies</b>	<b>1. Butterfly Gandhimathi Appliances Limited</b> <b>2. Quintegra Solutions Limited</b>

#### Areas of expertise





 Financial	 Leadership	 Board Service & Governance
 Risk Expertise	 General Management	

### Mr. T. R. Srinivasan

Non-Executive Independent Director

<b>Nationality</b>	<b>Indian</b>
<b>Age</b>	<b>74 Years</b>
<b>Date of Appointment</b>	<b>June 01, 2013</b>
<b>Date of Re-Appointment</b>	<b>August 01, 2019</b>
<b>Shareholding</b>	<b>Nil</b>
<b>Board Membership - Indian Listed Companies</b>	<b>Butterfly Gandhimathi Appliances Limited</b>

#### Areas of expertise

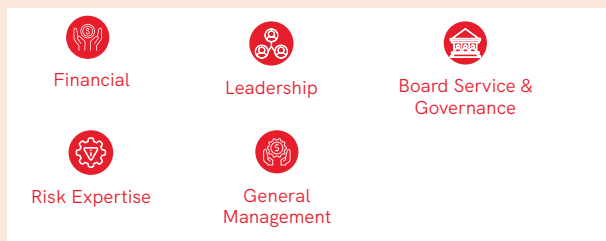
 Financial	 Leadership
 General Management	 Board Service & Governance

### Mr. G. S. Samuel

Non-Executive Independent Director

<b>Nationality</b>	Indian
<b>Age</b>	71 Years
<b>Date of Appointment</b>	May 11, 2012
<b>Date of Re-Appointment</b>	August 01, 2019
<b>Shareholding</b>	Nil
<b>Board Membership - Indian Listed Companies</b>	1. Butterfly Gandhimathi Appliances Limited 2. Swelect Energy Systems Limited

#### Areas of expertise

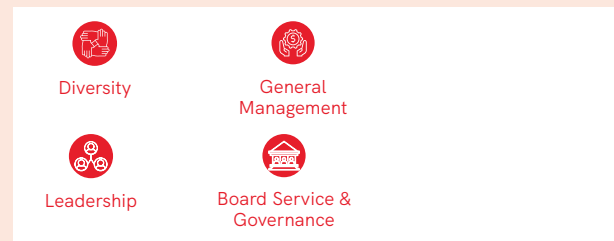


### Ms. Maheshwari Mohan

Non-Executive Independent Director

<b>Nationality</b>	Indian
<b>Age</b>	54 Years
<b>Date of Appointment</b>	March 31, 2015
<b>Date of Re-Appointment</b>	August 21, 2020
<b>Shareholding</b>	Nil
<b>Board Membership - Indian Listed Companies</b>	1. Butterfly Gandhimathi Appliances Limited 2. Nelcast Limited

#### Areas of expertise



### Board Evaluation

One of the key functions of the Board of Directors ("Board") is to monitor and review the Board evaluation framework. In terms of the requirement of the Section 134 of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014 and Schedule IV of the Act and as per Regulation 17 (10) of the SEBI Listing Regulations, an annual performance evaluation of the Board and that of its statutory Committees and Individual Directors is undertaken by the Board every financial year, where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The Board works with the N&RC to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees, and Executive/ Non-Executive/ Independent Director through peer evaluation, excluding the Director being evaluated.

**Independent Directors have following key roles - Governance, Control and Guidance. Some of the performance indicators, based on which the Independent Directors are evaluated, includes**

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning and Meetings of the Board & Committee meetings.
- Commitment to the fulfilment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

- To improve the effectiveness of the Board and its committees, as well as that of each individual Director.
- Further, the evaluation process was based on the affirmation received from the Independent Directors. That they met the independence criteria as required under the Act and the SEBI Listing Regulations.

### Directors' Induction and Familiarization Programme

All new Directors on their appointment are taken through a detailed induction programme and familiarization programme when they join the Board. The directors are taken through the history of the Company, the milestones achieved by the Company since the date of its inception, the details of the important events taken place in the Company and the growth of the Company over the decades. Directors are also given the details of present structure and an overview of the businesses and functions. Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company conducted various familiarisation programmes for its directors including review of Industry Outlook at the Board Meetings, regulatory updates at Board and Audit Committee Meetings, presentations on Internal Control over Financial Reporting, CSR Strategy, Statutory Compliance, Investor Grievances, Prevention of Insider Trading Regulations, SEBI Listing Regulations, framework for Related Party Transactions, etc. the details of familiarization programmes imparted to independent directors are disclosed at the Company's website and can be accessed at: [https://www.butterflyindia.com/wp-content/uploads/2023/04/Familirisation\\_22-23.pdf](https://www.butterflyindia.com/wp-content/uploads/2023/04/Familirisation_22-23.pdf)





### Separate meeting of Independent Directors

As per the provisions of Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors shall hold at least one meeting in a financial year, without the presence of Non-Independent Directors and Members of the management. During the year under review, Independent Directors met on March 17, 2023.

The Independent Directors Committee of the Board also reviewed the performance of the Chairman, other Non-Independent Directors and the Board as the whole without the presence of Non-Independent Directors and Members of the management.

### Policy on Directors' Appointment and Remuneration

The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on the date of this report, the Board has Ten (10) Members. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website and can be accessed at <https://www.butterflyindia.com/wp-content/uploads/2021/04/policy-for-appointment-and-evaluation-of-BOD-20.10.2020.pdf>

We affirm that the remuneration paid to the directors is as per the terms laid out in the policy for Appointment & Evaluation of Board of Directors and Senior Management of the Company.

### D&O Insurance for Directors

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance ("D&O") for all its Directors and Members of the Senior Management for quantum and risks as determined by the Board.

### Availability of Information to Board Members

The Board has unrestricted access to all Company related information, including that of our employees. At Board Meetings, Senior Management team and representatives who can provide additional insights into the items being discussed are invited. Information is provided to the Board Members on a continuous basis for their review, inputs and approval. Strategic and operating plans are presented to the Board in addition to the quarterly and annual financial statements. Specific cases of acquisitions, important managerial decisions, material positive / negative developments and statutory matters are presented to the committees of the Board and later, with the recommendation of the committees, to the Board for its approval. As a process, information to directors is submitted along with the agenda well in advance of Board meetings. Inputs and feedback of Board Members are taken and considered while preparing the agenda and documents for the Board meetings. At these Meetings, Directors can provide their inputs and suggestions on various strategic and operational matters.

### Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and Section 149(6) read with Schedule VII of the Act and are independent of the management. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The Independent Directors have submitted a declaration that they meet the criteria of independence as provided in clause (b) of sub-regulation (1) of Regulation 16 of the SEBI Listing Regulations and Section 149(6) read with Schedule VII of the Act.

The Company have also received a declaration from all the Independent Directors under Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding inclusion of their name in Data Bank of Independent Directors maintained by the Indian Institute of Corporate Affairs at Manesar.

### Resignation of Independent Director

Mr. P. R. Ramesh, Non-Executive Independent Director of the Company resigned from the Board w.e.f. November 09, 2022 on account of realignment of his portfolio of directorship in line with the applicable Regulations. There are no other material reasons other than stated above for his resignation.

### BOARD COMMITTEES AS ON MARCH 31, 2023

The Board Committees plays a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities as mandated by applicable regulations/ Acts. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board.

Each Committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These Committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these Committees lend immense value and support, enhancing the qualitiveness of the decisions making process of the Board. In order to strengthen governance, the Board has adopted terms of reference for majority of Committees of the Company.

The Board reviews the functioning of these Committees from time to time. The Meetings of each of these Committees are convened by the respective Chairpersons, who also appraised the Board about summary of discussion held at their meetings. The minutes of the Committee meetings are sent to all Members of respective committee individually for their comments and approval as prescribed in Secretarial Standard - 1 and after the minutes are duly approved, the same is being placed before the Board for review in immediate next meeting.

The Committees of the Board are:

1. Audit Committee
2. Nomination & Remuneration Committee (“N&RC”)
3. Stakeholders’ Relationship Committee (“SRC”)
4. Share Transfer Committee (“STC”)
5. Risk Management Committee (“RMC”)
6. Corporate Social Responsibility Committee (“CSR”)

### AUDIT COMMITTEE

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. More than Two-third (2/3<sup>rd</sup>) of the Members of the Committee, including the Chairman are Independent Directors.

The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the SEBI Listing Regulations. All the Members of the Audit Committee are financially literate and possess sound knowledge in finance and accounting practices. The Chairman of the Committee possesses professional qualifications in the field of Finance and Accounting. As on March 31, 2023 the total strength of the Audit Committee is Six (6) Members.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company’s established systems and processes for internal financial controls, governance and reviewing the Company’s statutory and internal audit activities.

The Audit Committee also receives the report on compliance under the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistle Blower Policy.

The Audit Committee also meets the Internal Auditors and Statutory Auditors without the presence of the management.

Meetings of the Audit Committee are also attended by the other Directors & Chief Financial Officer. The representatives of the Statutory Auditors have attended all the meetings held during the year at which Financial Statements have been placed for review and approval. The representatives of Internal Auditor and Cost Auditor are invited to attend the Meetings at which their respective reports are presented for discussion. The Company Secretary acts as the Secretary of the Audit Committee.

Internal audit reports on the various areas of operations and records of the Company are being periodically submitted before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

The Board of Directors have appointed M/s. Grant Thornton Bharat LLP as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company.

The periodical reports of the said Internal Auditors are regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

### Brief description of terms of reference

As per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) of Part-C of Schedule II to the SEBI Listing Regulations, the brief terms of reference to the Audit Committee of the Company, *inter-alia* includes:

- Oversight of the Company’s financial reporting process and the disclosures of its financial information to ensure that the financial statement is sufficient and credible;
- The recommendation for appointment, remuneration and terms of appointment of auditors, internal auditors, cost auditors and practicing company secretary for Secretarial Audit;
- Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
- Reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to Director’s Responsibility Statement, changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management, significant adjustments made in the financial statements arising out of audit findings, compliance with listing and other legal requirements relating to financial statements;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;



- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Composition of the Audit Committee is in line with the provisions of Section 177 of Companies Act, 2013 and Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Composition of the Audit Committee is as follows:

Name of Member	Designation	Chairman/Member
Mr. A. Balasubramanian*	Independent Director	Chairman
Mr. P. M. Murty	Independent Director	Member
Ms. Smita Anand	Independent Director	Member
Mr. Shantanu Khosla	Non-Executive Director	Member
Mr. M. Padmanabhan	Independent Director	Member
Mr. G. S. Samuel	Independent Director	Member

\*Appointed as the Chairman w.e.f. November 22, 2022.

#### Meetings and Attendance during F.Y. ended March 31, 2023

During the financial year ended on March 31, 2023, the Audit Committee met Five (5) times on May 11, 2022, July 14, 2022, October 15, 2022, January 23, 2023 and March 25, 2023.

Name of Member	Number of Meeting entitled to attend	Number of Meeting attended
Mr. P. R. Ramesh*	3	3
Mr. A. Balasubramanian	5	5
Mr. P. M. Murty	5	5
Ms. Smita Anand	5	5
Mr. Shantanu Khosla	5	4
Mr. M. Padmanabhan	5	5
Mr. G. S. Samuel	5	5

\*Ceased to be Member w.e.f. November 9, 2022

## NOMINATION AND REMUNERATION COMMITTEE ("N&RC")

The N&RC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. As on March 31, 2023, the total strength of the N&RC is Six (6) Members, all of whom are Non-Executive Directors of the Company, out of which Five (5) Members are Independent Directors. The Chairperson of the Committee is an Independent Director and Two-third (2/3<sup>rd</sup>) of the Members of the Committee are Independent Directors. The Chairman of the Board is a Member of the Committee but does not chair the Committee.

The N&RC Committee is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors, KMPs and Senior Management. The N&RC is also responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The Committee also anchored the performance evaluation of the Individual Directors. The Company Secretary of the Company acts as the Secretary of the Committee.

#### Brief description of terms of reference

The brief terms of reference are as per the provisions of Section 178 of the Act and Regulation 19(4) of Schedule II Part-D to the SEBI Listing Regulations, *inter-alia* includes:

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, KMPs and other employees;

For every appointment of an Independent Director, the N&RC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may

- a) Use the services of external agencies, if required;
- b) Consider candidates from a wide range of backgrounds, having due regard to diversity;
- c) Consider the time commitments of the candidates;
- d) Formulation of criteria for evaluation of Independent Directors and the Board;
- e) Devising a policy on Board diversity;
- f) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

- g) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- h) Recommend to the board, all remuneration, in whatever form, payable to senior management; and
- i) Carry out any other function as may be mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.

#### Composition, Name of Members and Chairman

The Composition of the N&RC is in line with the provisions of Section 178 of Act and Regulation 19(1) of the SEBI Listing Regulations. The Composition of the N&RC is as follows:

Name of Members	Position	Category
Ms. Smita Anand	Chairperson	Independent Director
Mr. P. M. Murty	Member	Independent Director
Mr. M. Padmanabhan	Member	Independent Director
Mr. A. Balasubramanian	Member	Independent Director
Mr. G. S. Samuel	Member	Independent Director
Mr. Shantanu Khosla	Member	Non-Executive Non-Independent Director

#### Meetings and Attendance during the F.Y. ended on March 31, 2023:

During the F.Y. ended on March 31, 2023, the N&RC met Six (6) times on April 1, 2022, May 11, 2022, June 23, 2022, October 15, 2022, November 18, 2022 and March 25, 2023.

Name of Members	Number of Meeting Entitled to attend	Number of Meeting attended
Ms. Smita Anand	6	6
Mr. P. M. Murty	6	6
Mr. P. R. Ramesh*	4	4
Mr. M. Padmanabhan	6	6
Mr. A. Balasubramanian	6	6
Mr. G. S. Samuel	6	6
Mr. Shantanu Khosla	6	5

\*Ceased to be Member w.e.f. November 09, 2022.

#### Performance evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors, *inter-alia*, includes factors like Participation at Board/ Committee Meetings:

- Managing Relationship with fellow Board Members;
- Knowledge and skill;
- Personal attributes like ethics and integrity, independent judgment with regard to corporate strategy, performance, risk management etc;
- Corporate governance implementation;
- Knowledge about the Company and external environment in which it operates;
- Confidentiality level; and
- Adherence to the applicable code of conduct for

Independent Directors.

The evaluation of the Independent Directors were carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the outcome of the evaluation, which reflected the overall engagement of the Board and its Committees with the Company.

Your Company has adopted a Policy relating to selection, remuneration and evaluation of Directors and Senior Management. The said policy is also available on the website of the Company and can be accessed at <https://www.butterflyindia.com/wp-content/uploads/2021/04/policy-for-appointment-and-evaluation-of-BOD-20.10.2020.pdf>

## REMUNERATION OF DIRECTORS

### Remuneration Policy

In terms of Section 178 of the Act and corresponding provisions contained in the SEBI Listing Regulations, your Company has a well-defined Policy for Remuneration of the Directors, KMPs and other Employees.

The salient features of the policy as follows:

- Matters to be dealt with, perused and recommend to the Board by the N&RC, which inter-alia includes size and composition of Board, positive attributes of Directors, succession plans, evaluation of performance of every Director, Board diversity etc;
- Appointment and Removal of Directors, KMPs and Senior Management;
- Remuneration for Directors, KMPs and Senior Management;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity.

The Nomination & Remuneration Policy of the Company can be accessed through the weblink at <https://www.butterflyindia.com/wp-content/uploads/2021/04/policy-for-appointment-and-evaluation-of-BOD-20.10.2020.pdf>

N&RC while deciding the basis for determining the compensation, both fixed and variable to the Non-Executive Directors, takes into consideration various factors such as Directors' participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and the SEBI Listing Regulations and such other factors as the N&RC may deem fit.

### Non-Executive Independent Directors Remuneration

The Board has approved payment of sitting fees to the Non-Executive Independent Directors, i.e. ₹30,000 for Board



meetings and for the Committee meetings. Apart from payment of sitting fees, the shareholders at the 35<sup>th</sup> AGM of the Company held on July 14, 2022, have also approved payment of commission to the Company's Non-Executive Independent Directors, collectively, up to 1% of net profits, as permitted by the Act. Additional commission is paid to the Chairman of the Board, the Chairman of the Audit Committee and the Chairman of the N&RC for their enhanced roles and responsibilities as Chairman.

### Executive Directors' Remuneration

As on March 31, 2023, Mr. Rangarajan Sriram, Managing Director ("MD") was the Executive Director on the Board of the Company. The annual remuneration package of Mr. Rangarajan Sriram constitutes a fixed salary component including a basket of allowances/ reimbursements; a variable pay component and stock options (of Holding Company) as approved by the N&RC and the Board of Directors, from time to time. The variable pay of MD was paid annually which is determined by N&RC after factoring in the individual performance, i.e. KPIs achieved and the Company's performance. There was no claw back provision in the remuneration paid to MD of the Company. In terms of applicable laws, there is no mandatory stock ownership requirements for MD in terms of laws applicable in India.

Additionally, the MD was entitled to grant of employee stock options under various Employee Stock Option Scheme(s) and performance share plans of the Holding Company.

The remuneration paid to Directors is in accordance with the provisions of the Act and does not exceed the thresholds specified in the Act and in Regulation 17(6)(ca) of the SEBI Listing Regulations.

None of the Directors of the Company have any pecuniary relationship with the Company apart from receiving remuneration.

In accordance with the SEBI Listing Regulations, no employee including KMPs or Director or Promoter of a listed entity, shall enter into any agreements for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, without prior approval from the Board as well as from shareholders by way of an ordinary resolution. No such instances were reported during the F.Y. ended March 31, 2023.

The details of the remuneration of Director(s) during F.Y. 2022-23 is given below:

(Amount in ₹)

Name of Directors	Salary and allowances	Variable Pay	Perquisite	ESOP	Sitting Fees	Commission	Total
Mr. Rangarajan Sriram <sup>#</sup>	1,67,68,920	-	39,600	-	-	-	1,68,08,520
Mr. P. M. Murty	-	-	-	-	7,20,000	13,79,310	20,99,310
Ms. Smita Anand	-	-	-	-	8,40,000	11,95,402	20,35,402
Mr. P. R. Ramesh <sup>*</sup>	-	-	-	-	3,90,000	7,29,064	11,19,064
Mr. M. Padmanabhan	-	-	-	-	9,30,000	9,19,540	18,49,540
Mr. A. Balasubramanian	-	-	-	-	7,20,000	10,18,064	17,38,064
Mr. G. S. Samuel	-	-	-	-	7,50,000	9,19,540	16,69,540
Mr. T. R. Srinivasan	-	-	-	-	5,70,000	9,19,540	14,89,540
Ms. Maheshwari Mohan	-	-	-	-	3,90,000	9,19,540	13,09,540

<sup>#</sup>Excludes variable pay payable for 2022-23 and cost of share based benefits.

<sup>\*</sup>Resigned w.e.f November 09, 2022

### STAKEHOLDERS' RELATIONSHIP & SHARE TRANSFER COMMITTEE

The Stakeholders' Relationship & Share Transfer Committee oversees the various aspects of interests of security holders of the Company, resolving the grievances of shareholders, ensuring expeditious share transfer process in line with the proceedings of the SRC, evaluating performance and service standards of the Registrar and Share Transfer Agent ("RTA") of the Company and recommends measures for overall improvement of the quality of investor services as and when the need arises.

The Company Secretary of the Company acts as the Secretary to the Committee.

### STAKEHOLDERS RELATIONSHIP COMMITTEE ("SRC")

#### Role of Stakeholders Relationship Committee:

- To authorise RTA to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates;
- To monitor redressal of stakeholder's complaints/grievances including relating to non-receipt of allotment/refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc;
- Review of measures taken for effective exercise of voting rights by shareholders; and

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company.

#### Composition, Name of the Members and Chairman

The Composition of the SRC is in line with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. The composition of the SRC is as follows:

Name of Members	Position	Category
Mr. Mathew Job*	Chairman	Non-Executive Non-Independent Director
Ms. Smita Anand	Member	Independent Director
Mr. M. Padmanabhan	Member	Independent Director
Mr. T. R. Srinivasan	Member	Independent Director
Mr. Rangarajan Sriram	Member	Managing Director
Mr. Promeet Ghosh**	Chairman	Non-Executive Non-Independent Director

\*Ceased to be Chairman & Member w.e.f. April 30, 2023

\*\*Appointed as Chairman & Member w.e.f. May 12, 2023

#### Meetings and Attendance during the Financial Year ended on March 31, 2023:

During the F.Y. ended on March 31, 2023, the SRC met Three (3) times on September 19, 2022, November 18, 2022 and March 25, 2023:

Name of Members	Members entitled to attend	Members actually attended
Mr. Mathew Job*	3	2
Ms. Smita Anand	3	2
Mr. M. Padmanabhan	3	3
Mr. T. R. Srinivasan	3	3
Mr. Rangarajan Sriram	3	3

\*Ceased to be Chairman and Member w.e.f. April 30, 2023.

#### Number of Shareholders' complaints received during the Financial Year 2022-2023:

Total Complaints received shareholders	29
No of Complaints pending	1
No of Complaints Not Solved	0
No of Complaints Resolved	28

### SHARE TRANSFER COMMITTEE ("STC")

#### Role of Share Transfer Committee:

- To review approve, reject the request for transfer, transmission securities of the Company;
- To review, approve, reject the split, subdivision, consolidation, renewal of the share certificates; and
- To review, approve, reject the request of duplicate share certificates, Loss of Share Certificate.

#### The composition of the STC is as follows:

Name of Members	Position	Category
Mr. Mathew Job*	Chairman	Non-Executive Non-Independent
Ms. Smita Anand	Member	Independent Director
Mr. Rangarajan Sriram	Member	Managing Director
Mr. M. Padmanabhan	Member	Independent Director
Mr. T. R. Srinivasan	Member	Independent Director
Mr. Promeet Ghosh**	Chairman	Non Executive Non-Independent Director

\*Ceased to be Chairman & Member w.e.f. April 30, 2023

\*\*Appointed as Chairman & Member w.e.f. May 12, 2023

#### Meetings and Attendance during the Financial Year ended on March 31, 2023:

During the financial year ended on March 31, 2023, Four (4) Share Transfer Committee meetings were held on June 17, 2022, September 19, 2022, November 18, 2022 and March 25, 2023:

Name of Director	Number of meeting entitled to attend	Number of meeting attended
Mr. Mathew Job*	4	3
Ms. Smita Anand	4	3
Mr. Rangarajan Sriram	4	3
Mr. M. Padmanabhan	4	4
Mr. T. R. Srinivasan	4	4

\*Ceased to be Chairman and Member w.e.f. April 30, 2023.

### RISK MANAGEMENT COMMITTEE ("RMC")

Regulation 21 of the SEBI Listing Regulations mandates constitution of the Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

The Committee reviews the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD and the CFO that the mitigation plans are finalised and up to date, owners are identified, and the progress of mitigation actions are monitored. The Company Secretary of the Company acts as the Secretary of the Committee.

#### (i) Composition, Name of the Members and Chairman

The composition of the RMC is as follows:

Name of Members	Category	Position
Mr. M. Padmanabhan <sup>^</sup>	Independent Director	Chairman
Mr. P. M. Murty	Independent Director	Member
Mr. P. R. Ramesh*	Independent Director	Chairman
Ms. Smita Anand	Independent Director	Member
Mr. Shantanu Khosla	Non- Independent Non-Executive Director	Member

Name of Members	Category	Position
Mr. A. Balasubramanian	Independent Director	Member
Ms. Maheshwari Mohan**	Independent Director	Member
Mr. Ranjarajan Sriram#	Managing Director	Member
Mr. G. S. Samuel	Independent Director	Member

\*Ceased to be Member w.e.f. November 9, 2022.

^Appointed as the Chairman of the Committee w.e.f. November 22, 2022.

\*\*Appointed as Member w.e.f. November 22, 2022.

#Appointed as the Member w.e.f. January 23, 2023.

## (ii) Meetings and Attendance during the F.Y. ended on March 31, 2023

During the F.Y. ended on March 31, 2023, the RMC met Two (2) times on June 28, 2022 and December 17, 2022:

Name of Members	Number of meetings entitled to attend	Number of Meetings attended
Mr. M. Padmanabhan	2	2
Mr. P. R. Ramesh*	1	1
Mr. P. M. Murty	2	2
Ms. Smita Anand	2	1
Mr. Shantanu Khosla	2	2
Mr. Ranjarajan Sriram**	0	0
Mr. A. Balasubramanian	2	2
Mr. G. S. Samuel	2	2
Ms. Maheshwari Mohan#	1	1

\*Resigned w.e.f. November 9, 2022.

\*\*Appointed w.e.f. January 23, 2023.

#Appointed w.e.f. November 22, 2022.

## CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

The CSR committee was set up to formulate and monitor the CSR policy of the Company. The CSR committee adopted a policy that outlines the Company's objective of catalyzing economic development that positively improves the quality of life for the society and aims to be a responsible corporate citizen and create positive impact through its activities on the environment, communities and stakeholders.

### (i) Composition, Name of the Members and Chairman:

The composition of the Corporate Social Responsibility Committee is as follows:

Name of Member	Category	Member/Chairperson
Mr. Shantanu Khosla	Non-Executive Non-Independent Director	Chairman
Mr. P. M. Murty	Independent Director	Member
Ms. Smita Anand	Independent Director	Member
Mr. Rangarajan Sriram	Managing Director	Member
Mr. T. R. Srinivasan	Independent Director	Member
Mr. G. S. Samuel	Independent Director	Member
Ms. Maheshwari Mohan	Independent Director	Member

### ii. Meetings and Attendance during the F.Y. ended on March 31, 2023

During the F.Y. ended on March 31, 2023, One (1) Corporate Social Responsibility Meeting was held on January 23, 2023:

Name of Member	Number of meetings entitled to attend	Number of Meetings attended
Mr. Shantanu Khosla	1	1
Mr. P. M. Murty	1	1
Ms. Smita Anand	1	1
Mr. Rangarajan Sriram	1	1
Mr. T. R. Srinivasan	1	1
Mr. G. S. Samuel	1	1
Ms. Maheshwari Mohan	1	1

## COMMITTEE OF INDEPENDENT DIRECTORS

The Committee of IDs constitutes Seven (7) Directors which are as follows:

Name of Member	Category	Attendance of Meeting dated March 17, 2023
Mr. P. M. Murty	Member	Yes
Ms. Smita Anand	Member	Yes
Mr. A. Balasubramanian	Member	Yes
Mr. M. Padmanabhan	Member	Yes
Mr. T. R. Srinivasan	Member	Yes
Mr. G. S. Samuel	Member	Yes
Ms. Maheshwari Mohan	Member	Yes

During the year under review, a meeting of an Independent Directors was held on March 17, 2023 *inter alia* to discuss:

- evaluation of the performance of Non-Independent Directors and the Board as a whole;
- evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- evaluation of the quality, quantity and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, Board Evaluation process was carried out digitally to maintain confidentiality & anonymity of the responses.

A separate meeting of the Independent Directors held on March 17, 2023 which was attended by all the Independent Directors wherein performance of Non-Independent Directors including the Managing Director, Chairman of the Board and of the Board as a whole was evaluated.

As an outcome of the above process, individual feedback were shared with each Director subsequently during the year.

### **CONFIRMATION BY THE BOARD OF DIRECTORS-ACCEPTANCE OF RECOMMENDATION OF MANDATORY/ NON-MANDATORY COMMITTEES**

In terms of the SEBI Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory/ non-mandatory committees.

### **FAMILIARISATION PROGRAMME**

Familiarisation Programme undertaken by the Company is detailed out under Board Effectiveness section of the Board Report which forms part of this Annual Report.

### **RELATED PARTY TRANSACTIONS**

All transactions entered into by the Company during the year with related parties were approved by the Audit Committee as well as by Board as and when required. The policy on related pricing basis and were approved by the Audit Committee party transactions has been placed on the Company's website and can be accessed at: [https://www.butterflyindia.com/wp-content/uploads/2022/06/RPT-Policy\\_15.06.2022.pdf](https://www.butterflyindia.com/wp-content/uploads/2022/06/RPT-Policy_15.06.2022.pdf).

In line with the amended the SEBI Listing Regulations, the policy has been amended suitably. There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company at large. No material related party transaction were proposed, in which approval of the shareholders was required. No related party whether or not it is a party to the particular transaction or not is allowed to vote to approve the transaction in line with the SEBI Listing Regulations.

### **WHISTLE BLOWER POLICY AND AFFIRMATION THAT NO PERSONNEL HAVE BEEN DENIED ACCESS TO THE AUDIT COMMITTEE**

In accordance with the provisions of Section 177(9) of the Act and the Rules made thereunder and also Regulation 22 of the SEBI Listing Regulations Whistle Blower policy of the

Company is available on the website of the Company and can be accessed at: [https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy\\_28092022.pdf](https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy_28092022.pdf)

The Company has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and it has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

### **COMPLIANCE WITH MANDATORY/ NON-MANDATORY REQUIREMENTS**

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations and obtained a certificate from M/s. ASA & Associates LLP, Chartered Accountants, regarding compliance of conditions of Corporate Governance, which is annexed to this report.

### **FEES TO STATUTORY AUDITORS**

M/s. ASA & Associates LLP, Chartered Accountants, were re-appointed as the Statutory Auditor of the Company at the 35<sup>th</sup> Annual General Meeting ("AGM") held on July 14, 2022 for conducting audit for a period of Five (5) years, till the conclusion of the 40<sup>th</sup> AGM of the Company.

The details of the total fees for all services paid by the Company to the Statutory Auditors are as follows:

Type of Service	(₹ in Lakhs)	
	Amount (2022-2023)	Amount (2021-2022)
i. Audit Fees for Statutory Audit	22.00	18.00
ii. Audit Fees for TaxAudit	7.50	-
iii. For Certification	3.65	0.45
<b>Total</b>	<b>33.15</b>	<b>18.45</b>



**GENERAL BODY MEETINGS:**

Details of last three AGM and Postal Ballot and Special Resolutions passed are given below:

S. No.	Financial Year	Date, Time & Venue	Details of Special Resolutions passed
1.	2019-2020	33 <sup>rd</sup> AGM held on August 20, 2020 at 11.00 A.M through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	Approval of Ms. Maheshwari Mohan (DIN:07156606), Woman Independent Director to hold office for the second term of Five (5) consecutive years, i.e, from August 21, 2020 to August 20, 2025.
2.	2020-2021	34 <sup>th</sup> AGM held on July 29, 2021 at 11.00 A.M through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	Re-appointment of Mr. V. M. Gangadharam as the Whole Time Director of the Company. Re-appointment of Mr. V. M. Kumaresan as Executive Director - Technical of the Company.
			Approval pursuant to the provisions of Section 181 of the Act, contribution to bonafide Charitable and other funds, aggregate of which shall not exceed 5% of its Average Net profit.
3.	2021-2022	35 <sup>th</sup> AGM held on July 14, 2022 at 3.00 P.M through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").	Alteration of Articles of Association of Company.

**Postal Ballot - F.Y. 2022-2023**

Pursuant to Section 110 of the Act read with Companies (Management and Administration) Rules, 2014, the Company passed the following Resolutions by way of postal ballot:

**Postal Ballot- 1:**

<b>Date of Postal Ballot Notice</b>	Wednesday, May 11, 2022
<b>Voting Period</b>	Wednesday May 25, 2022 at 9.00 A.M (IST) to Thursday, June 23, 2022 at 5.00 P.M (IST)
<b>Date of Declaration of Result</b>	Saturday, June 25, 2022
<b>Date of Approval</b>	Saturday, June 25, 2022

**Details of Voting Pattern:**

S. No	Particulars of the Resolution & type of Resolution	Votes cast in favour of the Resolution	Votes cast against the Resolution	Invalid Votes	Total Votes
1.	Appointment of Mr. P. M Murty (DIN:00011179) as as Independent Director- Special	1,16,44,037	61	10,07,339	1,26,51,437
2.	Appointment of Mr. P. R Ramesh (DIN:01915274) as as Independent Director-Special	1,16,38,481	5,617	10,07,339	1,26,51,437
3.	Appointment of Ms. Smita Anand (DIN:00059228) as an Independent Director- Special	1,16,41,361	2,737	10,07,339	1,26,51,437
4.	Appointment of Mr. Rangarajan Sriram (DIN:09550640) as Director of the Company)-Ordinary	1,16,44,033	65	10,07,339	1,26,51,437
5.	Appointment of Mr. Rangarajan Sriram (DIN:09550640) as the Managing Director of the Company- Special	1,16,43,983	115	10,07,339	1,26,51,437
6.	Appointment of Mr. Shantanu Khosla (DIN:00059877) as Director- Ordinary	1,14,64,830	1,79,273	10,07,339	1,26,51,442
7.	Appointment of Mr. Mathew Job (DIN:02922413) as Director- Ordinary	1,15,03,692	1,40,406	10,07,339	1,26,51,437

Mr. Balu Sridhar, Practicing Company Secretary (FCS No. 5869; CP No. 3550) Partner of M/s. A. K. Jain & Associates, Practicing Company Secretary, Chennai, was appointed as the Scrutinizer for conducting Postal Ballot process (including e-voting) in a fair and transparent manner.



**Postal Ballot- 2:**

<b>Date of Postal Ballot Notice</b>	Monday, January 23, 2023
<b>Voting Period</b>	Wednesday, February 01, 2023 at 09:00 A.M. (IST) to Thursday, March 02, 2023 at 5:00 P.M. (IST)
<b>Date of Declaration of Result</b>	Friday, March 03, 2023
<b>Date of Approval</b>	Friday, March 02, 2023

**Details of Voting Pattern:**

S. No	Particulars of the Resolution & type of Resolution	Votes cast in favour of the Resolution	Votes cast against the Resolution	Invalid Votes	Total Votes
1.	To approve the continuation of Directorship of Mr. T. R. Srinivasan (DIN: 00367302) as Non-Executive Independent Director beyond the age of 75 years till the expiry of his current tenure – Special	1,39,66,855	60,449	-	1,40,27,304
2.	To approve the continuation of Directorship of Mr. A. Balasubramanian (DIN: 00490921) as Non-Executive Independent Director beyond the age of 75 years till the expiry of his current tenure- Special	1,39,66,855	60,449	-	1,40,27,304

M. Alagar (FCS No: 7488; C.P. No. 8196,) Managing Partner, of M/s. M. Alagar and Associates, Practicing Company Secretary, Chennai, was appointed as the Scrutinizer for conducting Postal Ballot process (including e-voting) in a fair and transparent manner.

**Details of special resolution proposed to be conducted through postal ballot**

None of the businesses are proposed to be transacted through postal ballot at the preparation of this Report.

**Procedure for Postal Ballot**

The postal ballot is conducted in accordance with the pursuant to the Provisions of Section 110 read with and Section 108 of the Companies Act, 2013 (“**Act**”) and other applicable provisions, if any of the Act (including any statutory modification or re-enactment thereof for the time being in force), read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014, (“**Rules**”), Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular 2/2022 dated May 5, 2022 followed by Circular No. 10/2022 and 11/2022 dated **December 28, 2022** (collectively referred to as “**MCA Circulars**”) and Securities and Exchange Board of India (“**SEBI**”) vide its Circular SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022 followed by Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated **January 5, 2023** (collectively referred to as “**SEBI Circulars**”), Regulation 44 of the SEBI Listing Regulations as amended from time to time (including any statutory modification or re-enactment thereof for the time being in force) and the Secretarial Standard on General Meetings (“**SS-2**”) issued by the Institute of Company Secretaries of India each as amended, to transact the special businesses by passing Special Resolution, as applicable, by way of Postal Ballot through electronic Voting (“**remote e-voting**”).

Further, pursuant to the MCA Circulars, the Company had also published a public notice in the newspaper for all the shareholders to update their email addresses and mobile numbers with the depositories prior to the circulation of postal ballot notice.

The Notice of Postal Ballot was sent in electronic mode only to all those Members who had registered their e-mail addresses with the Company or Depository Participant/ Depository/ M/s. GNSA infotech Private Limited. Further, the Members had the option to vote only through remote e-voting and voting through physical ballot papers was not provided.

The Company had also published a notice in the newspaper declaring the details and requirements for postal ballot as mandated by the Act and applicable rules post circulation of postal ballot notice to all the shareholders.

Voting right was reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date.

The scrutiniser completed their scrutiny and submitted the report to the Chairman/ Managing Director, and the consolidated results of the voting were announced by the Chairman/Authorised Officer. The results were also displayed on the Company’s website and can be accessed at: [https://www.butterflyindia.com/wp-content/uploads/2023/03/REG443\\_CAPBRESULTS\\_03032023.pdf](https://www.butterflyindia.com/wp-content/uploads/2023/03/REG443_CAPBRESULTS_03032023.pdf) besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.

**MEANS OF COMMUNICATION TO THE SHAREHOLDERS**
**a. Financial Results**

- i. The quarterly unaudited financial results and the Annual Audited financial results of the Company, in the prescribed proforma, are taken on record by the Board and are submitted to the Stock Exchanges in a timely manner.

- ii. The results are normally published in Trinity Mirror, Business Standard (English Daily) and Makkal Kural (Tamil Daily) within Forty Eight (48) hours of the conclusion of the meeting of the Board in which they are approved.
- iii. The Company also hosts the results on its website with a detailed information update and media release discussing the results. The results are displayed on the Company's website and can be accessed at: [https://www.butterflyindia.com/investor-relations/#insider\\_trading\\_sebi\\_sast\\_disclosures](https://www.butterflyindia.com/investor-relations/#insider_trading_sebi_sast_disclosures)

#### b. News/ Events/ Presentations

All the official news releases are disseminated on the Company's website whenever necessary. Website address/link <https://www.butterflyindia.com/investor-relations/>

#### c. Annual Report:

Shareholders have been provided with an opportunity to provide their email id for receiving correspondence, Financial Results and Annual Report in electronic form. The Annual Report has been sent in electronic form to shareholders who have provided their email ids. Physical copies of the Annual

Report have been provided to such shareholders based on a request received from them for this purpose.

Annual Report is also posted on the Company's website and can be accessed at: [www.butterflyindia.com](http://www.butterflyindia.com) and also on the website of the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

#### d. Investors

SEBI processes investor complaints in a centralised web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge a complaint against the Company for redressal of his grievance. The Company uploads the action taken report on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

#### e. Board of Directors

Your Company continues to use a digital platform for sharing the information with the Directors and maintains a seamless and safe flow of information between the Management and the Board. While being secure and user friendly, it is also a quick and efficient means for sharing updates with the Board in an environment friendly manner.

## GENERAL SHAREHOLDER INFORMATION

### 36<sup>th</sup> Annual General Meeting:

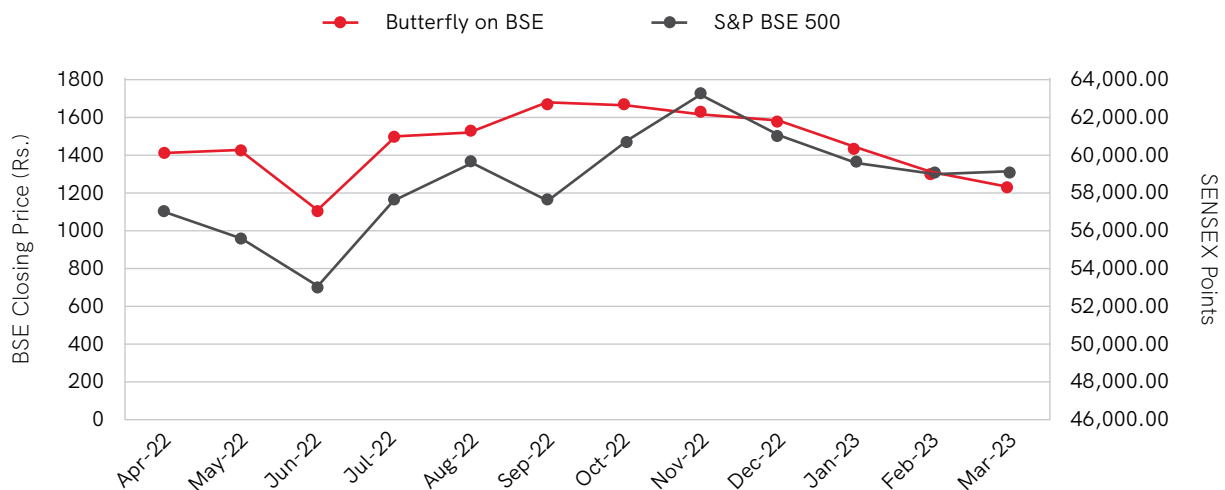
(a) Date	July 19, 2023
Day	Wednesday
Time	3:00 PM
Venue	The Annual General meeting will be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). The deemed venue shall be the Registered Office of the Company i.e. 143, Pudupakkam Village Kelambakkam Chengalpattu District- 603103.
<b>(b) Particulars of Financial Calendar of the Company</b>	
Financial year	April 01, 2023 to March 31, 2024
Unaudited First Quarter Results	On or before August 14, 2023
Unaudited Second Quarter Results	On or before November 14, 2023
Unaudited Third Quarter Results	On or before February 14, 2024
Last Quarter Results and Audited Annual Results	On or before May 30, 2024
Date of Book Closure	Not Applicable
Date of remote e-voting	From July 15, 2023 (9.00 A.M.) to July 18, 2023 (5.00 P.M)
<b>(c) Dividend payment Date</b>	
	Not Applicable
<b>(d) Name and Address of Stock Exchanges where the Company's shares are listed and confirmation of payment of Annual Listing Fees:</b>	
The National Stock Exchange of India Limited (NSE), Mumbai	Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.
Company has paid the Annual Listing fees to both the Stock Exchanges for F.Y. 2022-23 and F.Y. 2023-24 where the Company's securities are listed.	
<b>(e) Stock Code</b>	
BSE	517421
International Securities Identification Number (ISIN )	INE295F01017 (NSDL & CDSL)
Symbol	BUTTERFLY



**(f) Butterfly Share Price on BSE vis-à-vis BSE Sensex April, 2022 - March, 2023**

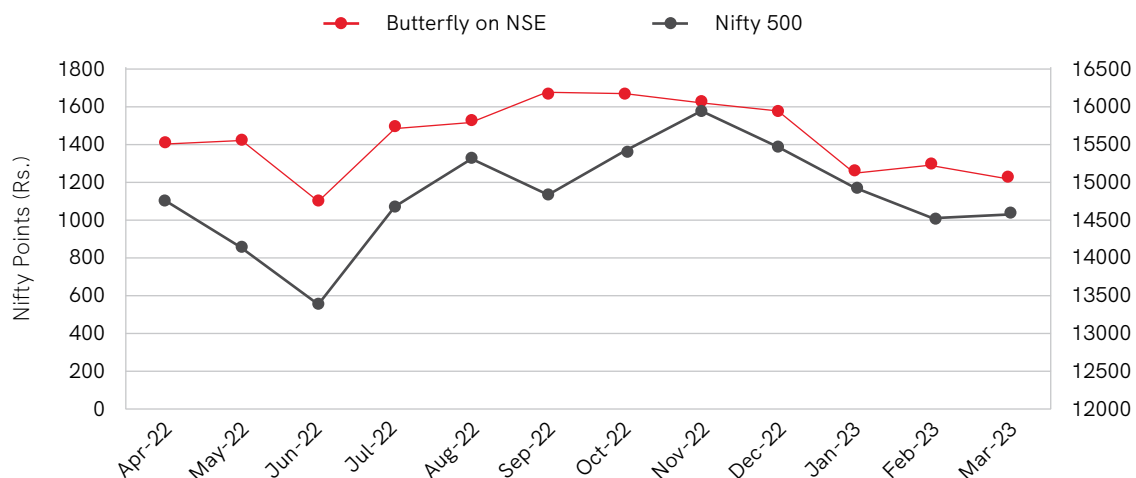
Month	Butterfly Share Price					
	BSE Sensex Close	High (₹)	Low (₹)	Close (₹)	No of shares traded during the month	Total Turnover (₹ lakhs)
Apr-22	57,060.87	1438.00	1370.20	1404.25	33936	476.12
May-22	55,566.41	1441.15	1336.00	1418.55	59039	832.29
Jun-22	53,018.94	1420.00	1065.65	1105.05	65730	818.61
Jul-22	57,570.25	1700.00	1085.50	1484.45	112488	1736.96
Aug-22	59,537.07	1603.15	1434.95	1521.80	19914	300.10
Sep-22	57,426.92	1745.75	1440.00	1673.20	31116	492.21
Oct-22	60,746.59	1862.55	1615.00	1655.50	29024	509.51
Nov-22	63,099.65	1680.95	1389.10	1607.40	16039	253.89
Dec-22	60,840.74	1678.15	1480.00	1573.55	12044	189.75
Jan-23	59,549.90	1590.00	1400.00	1426.95	6043	91.93
Feb-23	589,62.12	1477.45	1290.50	1302.55	5252	73.53
Mar-23	58,991.52	1345.00	1185.05	1211.10	10955	137.27

The performance of your Company's shares relative to the BSE Sensex Index is given in the chart below:


**Butterfly Share Price on NSE vis-à-vis NSE Nifty 500 April, 2022 - March, 2023**

Month	Butterfly Share Price					
	NSE Nifty Close	High (₹)	Low (₹)	Close (₹)	No of shares traded during the month	Total Turnover (₹ lakhs)
Apr-22	14783.35	1,420.00	1,371.10	1,405.25	4.37	6139.59
May-22	14119.6	1,449.60	1,331.55	1,419.05	13.89	19569.40
Jun-22	13387.55	1,422.00	1,065.20	1,104.70	10.12	12532.96
Jul-22	14665.65	1,699.00	1,090.10	1,473.30	20.56	31690.79
Aug-22	15325.05	1,609.00	1,451.30	1,525.30	1.98	2995.44
Sep-22	14829.35	1,645.00	1,455.00	1,687.20	11.56	18313.98
Oct-22	15424	1,903.35	1,611.30	1,654.60	3.46	6089.11
Nov-22	15946.15	1,699.95	1,500.00	1,606.10	1.67	2607.44
Dec-22	15448.85	1,680.50	1,496.00	1,566.85	2.05	3236.57
Jan-23	14935.5	1,592.00	1,399.00	1,246.70	0.81	1216.20
Feb-23	14518.75	1,480.30	1,286.95	1,296.50	0.8	1117.54
Mar-23	14557.85	1,353.80	1,172.70	1,211.35	1.36	1697.08

The performance of your Company's shares relative to the NSE Nifty 500 Index is given in the chart below:



**(g) Registrar and Share Transfer Agent and Address for Correspondence**

For any queries /complaints relating to the securities of the Company, correspondence may please be addressed to M/s. GNSA Infotech Private Limited at Nelson Chambers, 04<sup>th</sup> Floor, F Block, No.115, Nelson Manickam Road, Aminjikarai, Chennai-600 029.

Telephone : 044-42962025  
 Email : [sta@gnsaindia.com](mailto:sta@gnsaindia.com)  
 Website : [www.gnsaindia.com](http://www.gnsaindia.com)  
 Contact Person : Mr. R. Balasubramanian  
 Designation : Assistant Manager- STA Functions  
 SEBI Registration : INR200003967

For the benefit of shareholders, documents will continue to be accepted at the Registered Office of the Company at: Butterfly Gandhimathi Appliances Limited. Address: No. 143, Pudupakkam Village, Vandalur - Kelambakkam Road, Kelambakkam, Chengalpattu District - 603103

Telephone : 044-47415500  
 Email : [cs@butterflyindia.com](mailto:cs@butterflyindia.com)  
 Website : [www.butterflyindia.com](http://www.butterflyindia.com)

Shareholders are requested to quote their Folio No./ DP ID & Client ID, E-mail address, if any, telephone number and full address while corresponding with the Company and its RTA.

**(h) Share Transfer System**

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 01, 2019, including in case of transmission or transposition of securities w.e.f. January 25, 2022. All share transfers and other share-related issues are processed by the M/s. GNSA Infotech Private Limited, Registrar and Share Transfer Agent of the Company. Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted. During F.Y. 2022-23 no shares were transferred in physical form.

(i) Shareholding as on March 31, 2023

i) Shareholding Pattern as at March 31, 2023:

	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
<b>A</b>	Promoter's holding Promoters & their relatives	13409663	75.00
<b>B</b>	Non-Promoters Holding		
<b>1</b>	<b>INSTITUTIONAL INVESTORS</b>		
	i. Foreign Portfolio Investor	5956	0.03
	ii. Mutual Funds/UTI	1002403	5.61
	iii. Financial Institutions/Banks	2000	0.01
	iv. Alternative Investment fund	39142	0.22
	v. Others		
<b>2</b>	<b>CENTRAL/STATE GOVERNMENTS</b>		
<b>3</b>	<b>NON-INSTITUTIONAL INVESTORS</b>		
	i. Bodies Corporate	260203	1.46
	ii. Indian Public	3095884	17.32
	iii. NRIs	62049	0.35
	iv. Clearing Members	300	0.00
	v. Clearing House	351	0.00
	iv. Trust	1600	0.01
	<b>GRAND TOTAL</b>	<b>17879551</b>	<b>100.00</b>

ii) Distribution of shareholding as on March 31, 2023:

No. of Equity Shares Held	No. of Shareholders	%	No. of Shares held	%
1 - 500	18548	97.98	1088593	6.09
501 - 1000	207	1.09	158485	0.89
1001 - 2000	78	0.41	112344	0.63
2001 - 3000	28	0.15	71760	0.40
3001 - 4000	14	0.07	49297	0.28
4001 - 5000	6	0.03	27267	0.15
5001 - 10000	16	0.08	107536	0.60
Above 10000	34	0.18	16264269	90.97
<b>TOTAL</b>	<b>18931</b>	<b>100.00</b>	<b>17879551</b>	<b>100.00</b>
No. of shares held in physical form	6940	36.66	569389	3.18
No. of Shares held in electronic mode	11991	63.34	17310162	96.82
<b>TOTAL</b>	<b>18931</b>	<b>100.00</b>	<b>17879551</b>	<b>100.00</b>

(j) Dematerialization of shares and liquidity

As on March 31, 2023, 96.82% of the total shares of your Company representing 1,73,10,162 equity shares were in dematerialised.

(k) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity

No such instruments have been issued by the Company.

(l) Commodity price risk or foreign exchange risk and hedging activities

Your Company actively monitors the foreign exchange movements and takes forward/ options covers as appropriate to reduce the risks associated with transactions in foreign currencies.

(m) Your Company also undertakes short-term commodity hedging activities to prevent future adverse price movement

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not applicable.



#### (n) Plant locations of the Company

The Company currently has Three (3) Plant Locations in the state of Tamil Nadu for operations of its Business. The details of the plant locations are as follows:

S. No	Area	Address
1	Pudupakkam	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam - 603 103 Chengalpattu District, Tamil Nadu
2	Urapakkam	No.7, Karanai- puducherry Village, Kattur - 603 202, Chengalpattu Taluk, Chengalpattu District, Tamil Nadu
3	Mambakkam	26, Vandalur-Kelambakkam Road, Mambakkam, Chennai - 600048

#### (o) Address for Correspondence

All communication regarding share transactions, change of address, bank mandates, nominations etc. should be addressed to the Registrars and Share Transfer Agent and to the Registered Office of the Company to the following addresses:

Registered Office Address	Registrar and Share Transfer Agent:
<b>M/s. Butterfly Gandhimathi Appliances Limited</b> 143, Pudupakkam Village Kelambakkam Kancheepuram District- 603103 Email: <a href="mailto:cs@butterflyindia.com">cs@butterflyindia.com</a> Website: <a href="http://www.butterflyindia.com">www.butterflyindia.com</a> Tel.No: 044-47415500	<b>M/s. GNSA Infotech private Limited,</b> STA Department, Nelson Chambers, 4th Floor, F-Block, No.115, Nelson Manickam Road, Aminjikarai, Chennai - 600029 Email: <a href="mailto:sta@gnsaindia.com">sta@gnsaindia.com</a> Tel.No : +91-44-42962025

#### (p) Credit Rating

CRISIL has provided the Company's credit rating for its bank facilities as follows:

Long Term Rating	CRISIL AA/ Watch Positive
Short Term Rating	CRISIL A1+

**Shareholders Right:** Financial results are published in one English and one Vernacular Newspaper and also posted on the website of the Company at [www.butterflyindia.com](http://www.butterflyindia.com) and on the Stock Exchanges where the Company is Listed.

**Modified Opinion(s) in Audit Report:** The auditors have issued an unmodified opinion on the financial statements of the Company.

**Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years and accordingly no penalties or strictures were imposed on the Company by the stock exchanges, SEBI or any other statutory authority.

The securities of the Company were not suspended from trading at any time during the year.

**Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges, Securities Exchange Board of India ("SEBI") or any other Statutory Authorities on any matter related to capital markets, during the last three years:**

There was no non-compliance by the Company, penalties or strictures imposed on the Company by Stock Exchange(s), SEBI, or any other Statutory Authority or any matters relating to capital market during the last three financial years.

## DISCLOSURES

### Disclosures on materially significant Related Party Transactions ("RPTs") that may have potential conflict with the interest of the company at large:

During the year under review, there were no materially significant RPTs that may have potential conflict with the interest of the Company at large.

### Non-Compliance of any requirement of Corporate Governance Report:

The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under sub-para (2) to (10) of Part-C of Schedule V of the SEBI Listing Regulations.

### Loans and Advances in the nature of Loans to Firms/ Companies in which Directors are interested disclosure relating to adoption of discretionary requirements:

No Loans and Advances in the nature of loans to firms/ companies in which Directors are interested were given during the financial year.

### Other Disclosures:

**The Board:** The Chairman of the Company is Non-Executive Independent.

**Details of compliances with mandatory requirements and adoption of the non-mandatory requirements of the clause:**

All the applicable mandatory requirements of Corporate Governance norms as enumerated under Schedule II to the SEBI Listing Regulations were complied with.

**Weblink where policy for determining 'material' subsidiaries is disclosed:**

The Company has no subsidiary.

**Weblink where policy dealing with 'related party' transactions:**

The Company's policy for dealing with 'related party' transactions can be viewed at its website: [https://www.butterflyindia.com/wp-content/uploads/2022/06/RPT-Policy\\_15.06.2022.pdf](https://www.butterflyindia.com/wp-content/uploads/2022/06/RPT-Policy_15.06.2022.pdf)

**POLICY FOR PROHIBITION OF INSIDER TRADING**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has formulated the "Code of Conduct for prevention of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information", ("Code") which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in Company's shares. It also prohibits dealings in the Company's shares to Directors, Designated Persons, Connected Persons and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's share is closed.

Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT Regulations.

A structured digital database of all the designated employee is being digitally maintained by the Company on its internal server. These contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the PIT Regulations.

The Company Secretary has been appointed as the Compliance officer to ensure the implementation of the Code for fair disclosure and conduct.

The Board of Directors, Designated Persons and other Connected Persons gave affirmed compliance with the Code. The code of the Company can be accessed at <https://www.butterflyindia.com/investor-relations/#policies>

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

This is given as a separately which forms part of the Annual Report.

**MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION**

As required under Schedule II - Part-B to the SEBI Listing Regulations, Managing Director & Chief Financial Officer have furnished necessary certificates to the Board of Directors with respect to Financial Statements for the F.Y. ended March 31, 2023.

**DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A) OF THE SEBI LISTING REGULATIONS**

The Company has not raised funds through preferential allotment or qualified institutions placement during the financial year under review.

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

Pursuant to Part-C of Schedule V of the SEBI Listing Regulations, a Certificate from M/s. M. Alagar & Associates, Practicing Company Secretary was received confirming that none of the Directors on the Board of the Company have been debarred or disqualified for the financial year ending on March 31, 2023 from being appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such Statutory Authority. The certificate as received was placed before the Board in its Meeting held on May 12, 2023 and is annexed to this Report.

**CYBER SECURITY INCIDENTS OR BREACHES AND LOSS OF DATA / DOCUMENTS**

In world of rapid changing environment of technologies, it has become need of every organisation to adopt digitalization and newer technologies into its business to compete and being agile which also helps in ease of doing business. In view of the same the Company has adopted and implemented digitalization and newer technologies in its various sections of business.

In line with adoption of technology, there always subsist a risk, which is called a Cyber Risk, being one of the key risks, Crompton is focused on maintaining a positive cybersecurity culture within the organization, thus making cybersecurity a sustainable and repeatable process throughout the organization.

In the past year(s), while our employees operated efficiently as a remote and hybrid workforce, we continued to remain vigilant about the evolving cyber security threat landscape.

To continue to have robust cyber security processes, the team has remained abreast of emerging cyber security events so as to achieve higher and continued sustenance.

During the year under review there was no incident or breach and loss of data/ documents have occurred.



## DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with all the requirements of Corporate Governance specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, wherever applicable.

## DECLARATION ON CODE OF CONDUCT

Your Company has a Code of Conduct for Board and Senior Management Personnel that reflects its high standards of integrity and ethics. The Directors and Senior Management of the Company have affirmed their adherence to this Code of Conduct for F.Y. 2022-23. As required by Regulation 34 of the SEBI Listing Regulations, Mr. Rangarajan Sriram, Managing Director has signed a declaration stating that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with this Code of Conduct, which is annexed to this Report. This Code is available on the Company's website and can be accessed at: [https://www.butterflyindia.com/wp-content/uploads/2023/05/Code-of-Conduct\\_2023.pdf](https://www.butterflyindia.com/wp-content/uploads/2023/05/Code-of-Conduct_2023.pdf)

## DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

## DISCLOSURE IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has constituted Internal Complaints Committee ("ICC") to consider and resolve all sexual harassment complaints. The constitution of ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Committee includes an external member who is an independent POSH consultant with relevant experience.

Details of sexual harassment complaints for the year ended March 31, 2023 as required under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, and the SEBI Listing Regulations:

S. No.	Particulars	No. of Complaints
1.	Number of Complaints filed during the year	Nil
2.	Number of Complaints Disposed during the year	Nil
3.	Number of Complaints pending during the year	Nil

### Report on Corporate Governance:

This Chapter read together with the "Annexure to Corporate Governance" constitutes the Compliance Report on Corporate Governance for F.Y. 2022-23.

For Butterfly Gandhimathi Appliances Limited

Place: Chennai  
Date: May 12, 2023

**P.M. Murty**  
**Chairman**  
DIN :00011179

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
**Butterfly Gandhimathi Appliances Limited**  
143, Pudupakkam Village, Vandalur - Kelambakkam Road,  
Kelambakkam, Chengalpattu District -603103

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Butterfly Gandhimathi Appliances Limited having CIN: L28931TN1986PLC012728** and having its registered office at 143, Pudupakkam Village, Kelambakkam, Kancheepuram - 603103 (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 <http://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 ending on March 31, 2023 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;

S. No	Name of the Director	DIN	Designation	Date of appointment in Company
1	Mr. P. M. Murty	00011179	Independent Director	01.04.2022
2	Mr. Ranjarajan Sriram	09550640	Managing Director	30.03.2022
3	Mr. Shantanu Khosla	00059877	Non-Executive & Non Independent Director	30.03.2022
4	Mr. Mathew Job**	02922413	Non-Executive & Non Independent Director	30.03.2022
5	Mr. M. Padmanabhan	00101997	Independent Director	30.01.1999 (Re-appointment 01.08.2019)
6	Mr. T. R. Srinivasan	00367302	Independent Director	01.06.2013 (Re-appointment 01.08.2019)
7	Mr. A. Balasubramanian	00490921	Independent Director	14.11.2011 (Re-appointment 01.08.2019)
8	Mr.G.S. Samuel	05284689	Independent Director	11.05.2012 (Re-appointment 01.08.2019)
9	Ms. Maheswari Mohan	07156606	Independent Director	31.03.2015 (Re-appointment 21.08.2020)
10	Ms. Smita Anand	00059228	Independent Director	01.04.2022
11	Mr. P.R. Ramesh*	01915274	Independent Director	01.04.2022

\* Mr. P.R. Ramesh resigned from the Board of the Company with effect from November 09, 2022.

\*\* Mr. Mathew Job resigned from the Board of the Company with effect from April 30, 2023.

Ensuring the eligibility of 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 **M. Alagar & Associates**  
Practising Company Secretaries  
Peer Review Certificate No:1707/2022

Place: Chennai  
Date: May 12, 2023

**M. Alagar**  
Managing Partner  
FCS No. 7488 / CoP No. 8196  
UDIN: F007488E000294676

## COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF PART B OF SCHEDULE - II OF SEBI (LODR) REGULATION 2015

To,  
The Board of Directors  
**Butterfly Gandhimathi Appliances Limited**

- A. We have reviewed financial statements and the Cash flow Statement for the quarter/Year ended on March 31, 2023 and that to the best of our knowledge and belief:
- a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. 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, to the best of our knowledge and belief, no transactions entered into by the company during the quarter/ Year ended March 31, 2023 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 that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, improvement in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take for such improvement.
- D. We have indicated to the Auditors and the Audit Committee:
1. There is no significant change in internal control over financial reporting during the quarter/Year ended March 31, 2023;
  2. There is no significant changes in accounting policies during the quarter/ year ended March 31, 2023, which are in compliance with Ind-AS excepting those disclosed in the notes to the financial statements; and
  3. There is no instance of any Significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Butterfly Gandhimathi Appliances Limited**

Place: Chennai  
Date: May 12, 2023

**Ranjarajan Sriram**  
Managing Director  
DIN: 09550640

**B. Ananda Shalini**  
Chief Financial Officer

## **DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2023.

For **Butterfly Gandhimathi Appliances Limited**

Date: May 12, 2023  
Place: Chennai

**Rangarajan Sriram**  
Managing Director  
DIN: 09550640

## AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER SCHEDULE (E) TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of **Butterfly Gandhimathi Appliances Limited**

This certificate is issued in accordance with the terms of our engagement with **Butterfly Gandhimathi Appliances Limited** ('the Company'). We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2023, 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').

### Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes preparation and maintenance of all relevant supporting records and documents, 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

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. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.

We conducted our 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. 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

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, 2023.

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.

### Restriction of Use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the aforesaid Regulations and may not be suitable for any other purpose.

**For ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

**G N Ramaswami**

Partner

Place: Chennai

Date: May 12, 2023

Membership No. 202363

UDIN: 23202363BGSQTR2144

## Annexure -6

### Details pertaining to remuneration as required under Section 197(12) read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014

#### 1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

The median remuneration of employees of the Company during 2022-2023 was ₹3,27,288 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

Sl. No.	Name of Director	Category	Remuneration of Director for 2022-23	Ratio of remuneration to the median remuneration of the Company's employees
1	Mr. R. Sriram*	Managing Director	1,68,08,520	51.36
2	Mr. P. M .Murty	Independent Director	20,99,310	6.41
3	Ms. Smita Anand	Independent Director	20,35,402	6.22
4	Mr. A. Balasubramanian	Independent Director	17,38,064	5.31
5	Mr. M. Padmanabhan	Independent Director	18,49,540	5.65
6	Mr. G.S. Samuel	Independent Director	16,69,540	5.10
7	Mr. T. R. Srinivasan	Independent Director	14,89,540	4.55
8	Ms. Maheswari Mohan	Independent Director	13,09,540	4.00
9	Mr. P R Ramesh	Independent Director	11,19,064	3.42

\*excludes variable pay payable for 2022-23 and cost of share based benefits.

#### 2. The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the financial year:

The percentage Increase/Decrease in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in 2022-23 is provided in the table below:

Sl. No.	Name of Director/KMP	Designation	% increase in Remuneration in 2022-23
1	Mr. R. Sriram	Managing Director	N/A
2	Mr. R. Nagarajan**	Chief Financial Officer	30.35
3	Ms. Priya Varshinee V M <sup>^</sup>	Company Secretary & Compliance Officer	38.17
4	Mr. Viral Sarvaiya <sup>^^</sup>	Company Secretary & Compliance Officer	N/A

\*\*Resigned with effect from April 05, 2023

<sup>^</sup>Resigned with effect from February 03, 2023

<sup>^^</sup>Appointed with effect from March 25, 2023

#### 3. The percentage increase in the median remuneration of employees in the financial year:

In the financial year, there was an increase of 10.54% in the median remuneration of employees.

#### 4. The number of permanent employees on the rolls of Company:

There were 1,349 permanent employees on the rolls of Company as on March 31, 2023



**5. Average percentile increase 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 percentile increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e., 2022-23 was 24.13% whereas the increase/decrease in managerial remuneration for the financial year 2022-23 was 34.26% (Calculated as per Weighted Average).

Justification: Increase in remuneration of the Managing Director is decided based on individual performance, inflation, prevailing industry trends and benchmarks.

The remuneration of Independent Directors consists sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees etc., were taken into consideration.

**6. Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

"Median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one. If there is an even number of observations, the median shall be the average of the two middle values.

**For Butterfly Gandhimathi Appliances Limited**

**P.M. Murty**  
Chairman  
DIN:00011179

Place:Chennai  
Date: May 12, 2023

## Annexure -7

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

#### (A) Conservation of energy-

The Company has a well-organized, structured, and continuous focus on improvement in efficiency of the machine, utility, and infrastructure. Some of the key initiatives for conserving energy saving during the financial year 2022-2023 were:

1. Machine idle running time avoided by introducing timer cut off machine running to Save power.
2. 68% to 74% Thermal efficiency stove introduced to save Gas consumption.
3. Introduction of Triply S.S pressure cooker to save cooking time and gas consumption by 20%.
4. Introduction of Servo drive in Injection moulding machines instead of Induction motor to save energy.
5. Utilization of sewerage treated water for gardening purposes.
6. Replacement of conventional light with LED lights in plants resulted in saving electricity consumption.
7. Motion sensor system introduced to save energy.

#### (B) Technology absorption-

##### i. The efforts made towards technology absorption:

Regular initiatives are taken in updating the technology in the process area.

- Introduction of HRS system in injection moulding process to save plastic raw material consumption.
- Introduction of Food Processor technology in Mixer Grinder
- Introduction of 110~120V Mixer Grinder and Tabletop Wet Grinder
- Introduction of Spill Free technology in Pressure Cooker
- 24 Hours Hot and Cold retention of Vacuum Flask 1<sup>st</sup> in India with ISI license.
- Introduction of Nutri Blend technology in mixer Grinder
- Implementation of 100% ROHS compliance Electrical product

##### ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

- The benefits derived include product improvement and deduction in labour cost.
- Creation of awareness to employees and system implementation to reduce accidents / incidents.

##### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- (a) The details of technology imported - **No technology has been imported.**
- (b) The year of import - **Not Applicable**
- (c) Whether the technology been fully absorbed - **Not Applicable**
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - **Not Applicable**

##### iv. the expenditure incurred on Research and Development.

(₹ in Lakhs)

S. No	Particulars	2022-2023	2021-2022
a)	Capital	44.18	217.63
b)	Recurring	33.70	8.75
	<b>Total</b>	<b>77.88</b>	<b>226.39</b>

#### (C) Foreign exchange earnings and Outgo-

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Foreign exchange earnings	1,691.27	1352.45
Foreign exchange Outgo	3,894.30	7557.01

For Butterfly Gandhimathi Appliances Limited

**P.M. Murty**

Chairman

DIN:00011179

Place:Chennai

Date: May 12, 2023



# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of listed entity

1.	Corporate Identity Number (CIN) of the Company	L28931TN1986PLC012728
2.	Name of the Company	Butterfly Gandhimathi Appliances Limited
3.	Year of incorporation	1986
4.	Registered office address	143 Pudupakkam Village, Kelambakkam-Vandalur Road, Chengalpattu District - 603103, Tamil Nadu, India
5.	Corporate address	No. 34, (2nd Floor), Rajiv Gandhi Salai, Egattur Village, Chennai - 600130, Tamil Nadu, India
6.	E-mail id	<a href="mailto:cs@butterflyindia.com">cs@butterflyindia.com</a>
7.	Telephone	044-47415500
8.	Website	<a href="http://www.butterflyindia.com">www.butterflyindia.com</a>
9.	Financial year reported	2022-23
10.	Name of the Stock Exchanges where shares are listed	National Stock Exchange of India Limited BSE Limited
11.	Paid-up Capital	₹ 17,87,95,510.00
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Rangarajan Sriram Designation: Managing Director Email Id: <a href="mailto:butterflyho@butterflyindia.com">butterflyho@butterflyindia.com</a> Tel No: 044-4741 5501
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

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1	Manufacturing	Metal and Metal Products	100%

#### 15. Products/Services sold by the Company (accounting for 90% of the turnover)

S. No.	Description of Main Activity	NIC Code	% of total Turnover contributed
1.	Kitchen Appliances	47593	73%
2.	Other Domestic Electrical Appliances	29309	27%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants	Number of offices	Total
National	3	25 (Branches 16 + Corporate Office 1 + Sales Office 8)	28
International	Nil	Nil	Nil

#### 17. Markets served by the Company

##### a. Number of locations

Location	Number
National (No. of States)	11
International (No. of Countries)	13

**17. Markets served by the Company (Contd..)**
**b. What is the contribution of exports as a percentage of the total turnover of the Company?**

The contribution to the total turnover is 1.60%.

**c. Types of customers**

Butterfly Gandhimathi Appliances Limited is one of the leading manufacturers of domestic kitchen and electrical appliances in India and sells wide range of products that includes LPG Stoves, Mixer Grinders, Table Top Wet Grinders, Pressure Cookers, Stainless Steel Vacuum Flasks and Non-Stick Cookware. Other products comprise Juicers, Hand Blenders, Electric Irons, Power Hobs, Electric Rice Cookers, Electric Water Kettle, Fans. A pan-India presence, a strong distribution and channel network, and a dynamic, on-line platform enable the Company to serve a diverse consumer base across the country.

**IV. Employees**
**18. Details as at the end of Financial Year, i.e. March 31, 2023:**
**a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	701	655	93.44%	46	6.56%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	<b>Total employees (D+E)</b>	<b>701</b>	<b>655</b>	<b>93.44%</b>	<b>46</b>	<b>6.56%</b>
<b>Workers</b>						
4.	Permanent (F)	648	386	59.56%	262	40.44%
5.	Other than Permanent (G)	1151	522	45.35%	629	54.65%
6.	<b>Total workers (F+G)</b>	<b>1799</b>	<b>908</b>	<b>50.47%</b>	<b>891</b>	<b>49.53%</b>

**b. Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	Nil	Nil	Nil	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	<b>Total differently abled employees (D+E)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	<b>Total workers (F+G)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**19. Participation/Inclusion/Representation of women**

S. No.	Total (A)	No. and percentage of Females	
		No. (C)	% (C/A)
Board of Directors	10 <sup>#</sup>	2	20%
Key Management Personnel	3 <sup>*</sup>	0	0%

<sup>#</sup>Mr. Mathew Job resigned w.e.f. April 30, 2023 and Mr. Promeet Ghosh was appointed as Non-Executive Non Independent Director w.e.f. May 12, 2023.

<sup>\*</sup>As on March 31, 2023, Mr. Rangarajan Sriram, Managing Director, Mr. R Nagarajan, Chief Financial Officer and Mr. Viral Sarvaiya, Company Secretary & Compliance Officer were designated as KMPs. However, as on the date of this Report, Mr. Rangarajan Sriram, Managing Director, Ms Ananda Shalini, Chief Financial Officer and Mr. Viral Sarvaiya, Company Secretary & Compliance Officer are the designated KMPs.

**20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)**

	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.85%	0.68%	11.53%	9.94%	0.91%	10.85%	7.7%	0.52%	8.22%
Permanent Workers	2.03%	1.66%	3.69%	3.72%	1.06%	4.78%	3.36%	2.17%	5.53%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

**21. Name of holding/subsidiary/associate companies/joint ventures**

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/Subsidiary/Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1.	Crompton Greaves ConsumerElectricals Limited	Holding Company	75%	No

**VI. CSR Details**

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) :-**

Yes. The Company aims at contributing to CSR activities much before it was even mandated under the Companies Act 2013. Company focusses on fulfilling its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/projects and programmes for sustainable welfare and development of community at large.

(ii) Turnover (in Rs.) :- ₹ 10,56,55,24,626

(iii) Net worth (in Rs.): - ₹ 2,85,64,33,109

**VII. Transparency and Disclosure Compliances**

**23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy)	FY 2023			FY 2022		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities <sup>1</sup>	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders) <sup>2</sup>	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders <sup>2</sup>	Yes	29	1	Complaints received from the Shareholders were replied within stipulated time and resolved.	11	Nil	Complaints received from the Shareholders were replied within stipulated time and resolved.
Employees and workers <sup>3</sup>	Yes	Nil	Nil	Minor complaints were resolved by the respective SPOC, Locationwise	Nil	Nil	NA

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy)	FY 2023			FY 2022		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Customers <sup>4</sup>	Yes	612228	Nil	FY (2022-23) - 80.4% of complaints were resolved within the D1 (Day 1). - 99.6% of complaints were resolved within the D7 (Day 7).	543739	Nil	FY (2021-22) - 73.2% of complaints were resolved within the D1 (Day 1). - 97.7% of complaints were resolved within the D7 (Day 7).
Value Chain Partners <sup>5</sup>	Yes	Nil	Nil		Nil	Nil	Nil
Other (please specify)	Nil	Nil	Nil		Nil	Nil	Nil

Your Company is committed to encourage openness, promoting transparency and reporting improvements without fear of rebuttal. The organisation is committed to creating a culture that encourages high standards of ethics and upholds decent and safe working conditions for the entire workforces [https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy\\_28092022.pdf](https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy_28092022.pdf)

<sup>1</sup>Communities while interacting during the community engagement programmes, can report their grievances.

<sup>2</sup>Investors, Shareholders and stakeholders can correspond with the Company by sending an email to [butterfly.investorsrelations@butterflyindia.com](mailto:butterfly.investorsrelations@butterflyindia.com) or by calling on the below mentioned numbers **044-4741 5500**

<sup>3</sup>Employees and workers can report any grievance can by sending an e-mail to [hr@butterflyindia.com](mailto:hr@butterflyindia.com) in or in physical form in a sealed envelope.

<sup>4</sup>Customers can report grievances by sending an e-mail [service@butterindia.com](mailto:service@butterindia.com) or by calling on **93620 19362**. Customers who lodged complaints between March 25 and March 31 of the fiscal year's end will have them resolved by the start of the next fiscal year. Our service team is altogether aligned based on the targets and ensures that no complaints should be allowed to exceed their set targets.

<sup>5</sup>Value chain partners reach out to the respective point of contacts in any functions with escalation to management.

24. Overview of the Company’s business conduct, pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Sl. 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.	EHS Governance	Risk	Lack of Safe work culture/ operations	<ul style="list-style-type: none"> <li>The Company maintains a proactive approach to safety by conducting weekly safety reviews involving leadership and department heads. These reviews serve to analyse reportable/non-reportable incidents and near misses, identify root causes, and track the implementation of corrective measures.</li> <li>In order to enhance emergency preparedness, an Emergency Response team has been established, with clearly defined roles and responsibilities to manage factory crises effectively. The company prioritises safety by conducting regular electrical and fire safety audits and promptly addressing any critical observations to maintain a secure work environment.</li> <li>Adhering to a comprehensive Environment, Health, and Safety (EHS) policy, the company guides its operations towards responsible practices. It is actively working towards compliance with the new Extended Producer Responsibility (EPR) regulations, ensuring proper segregation and authorized disposal of hazardous waste.</li> </ul>	Negative Implication
2.	Product Risk: Innovation	Risk	<ul style="list-style-type: none"> <li>Innovation that is out of step with market/ consumer needs/ emerging technologies</li> <li>Lagging behind product development and launch.</li> </ul>	<ul style="list-style-type: none"> <li>Extensive market research was conducted to gain a comprehensive understanding of consumer needs.</li> <li>Consumer needs were identified across various parameters, namely convenience, health and wellness, aesthetics, and value. Structured plan for new product development (NPD) was established, ensuring a focused and systematic approach.</li> <li>To ensure effective execution of the NPD plan, weekly cross-functional team (CFT) reviews were implemented to monitor progress, identify and address any potential delays. Feasibility studies were conducted to assess volumes and margins, ensuring a viable return on investment (ROI) before committing to projects.</li> </ul>	Positive Implication

Sl. 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)
3.	Product Risk: Quality	Risk	<ul style="list-style-type: none"> <li>Inadequate processes in Quality assurance and Controls</li> <li>Absence of structured score card and monitoring mechanism on Quality inspection process - Inward to final product delivery.</li> </ul>	<ul style="list-style-type: none"> <li>The Quality team is being strengthened and empowered to take the lead in ensuring quality throughout the organisation.</li> <li>Comprehensive Quality scorecard has been implemented to monitor various parameters such as Incoming Quality Control (IQC), Product Quality Review (PQR), Pre-Delivery Inspection (PDI), Corrective and Preventive Actions (CAPA), Supplier Quality Performance (SQP), and New Product Development (NPD) Complaints.</li> <li>Efforts are underway to minimize the Cost of Poor Quality by identifying and addressing root causes of major defect returns. By implementing corrective actions and continuous improvement initiatives, the company aims to reduce costs and enhance the overall quality of its products.</li> <li>Strengthening its approach to Supplier and Vendor quality audits. By implementing robust evaluation criteria and stringent quality control measures, the company ensures that its suppliers and vendors consistently deliver products of the highest quality, without compromising its brand reputation or cost effectiveness.</li> <li>The Company is working on defining standardised vendor/supplier evaluation and quality control parameters to ensure consistency and excellence in product quality across all its suppliers and vendors.</li> </ul>	Negative Implication
4.	Supply Risk	Risk	<ul style="list-style-type: none"> <li>Potential leakages and wastages in supply chain resulting in contract termination</li> <li>Inconsistent share of business with no defined parameters</li> <li>Inadequate vendor evaluation process</li> </ul>	<ul style="list-style-type: none"> <li>The Company has established a well-defined process for Vendor/Supplier Identification, Qualification, and Onboarding.</li> <li>To optimize costs and improve procurement efficiencies, the company has implemented continuous cost benchmarking practices. This involves regularly evaluating the market and introducing alternate vendors for Finished Goods (FG) and Raw Materials (RM) to secure more favourable purchase terms.</li> <li>To ensure competitive costing and favourable contract terms, the company actively revisits contract terms and engages in negotiations by raising Request for Quotations (RFQs). This enables the company to achieve cost savings and maintain a competitive edge in the market.</li> <li>The Company has implemented an alternate vendor development strategy and structured share of business for high-value procurement, excluding Steel. This diversification of suppliers helps to ensure continuity of supply and reduces dependency on a single source.</li> <li>The Company is currently in the process of evaluating its key vendor and supplier network based on criteria such as Cost, Quality, Capacity, and Compliance.</li> </ul>	Negative Implication

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Customer Satisfaction risk	Risk	<ul style="list-style-type: none"> <li>Absence of Feedback mechanism to assess the Customer satisfaction</li> <li>Inadequate framework to benchmark with Competition</li> </ul>	<ul style="list-style-type: none"> <li>The service feedback certification process has been initiated with direct channel partners to ensure quality service. Extensive free service camps have been organized across the South region, and starting from April 2023, similar camps will be conducted on a quarterly basis nationwide.</li> <li>To facilitate easy complaint registrations, a WhatsApp chatbot approach has been introduced with a waiting time of only 10 seconds. The company aims to resolve customer complaints within 24 hours, with a target achievement of 80%.</li> <li>Geo-fencing technology is being utilized to monitor and manage the complaint resolution process effectively. A competition benchmarking exercise conducted in December 2022 has led to the implementation of various improvement measures, including extended doorstep service for mixers and revision of authorized service center (ASC) remuneration to ensure better service delivery.</li> <li>The Company is also striving to develop a CRM-based interface for capturing and addressing product quality feedback from customers and relevant stakeholders.</li> </ul>	Positive implications
6.	Operational Risks: People	Risk	<ul style="list-style-type: none"> <li>Lack of transparency of Organizational policies</li> <li>Absence of change management to align with Code of conduct, acceptable employee behaviours and to avoid Conflict of Interest.</li> <li>Inadequate capability in key critical positions and employee development initiatives\</li> </ul>	<ul style="list-style-type: none"> <li>The Company is currently in the process of revisiting and adopting robust employee policies to ensure a conducive work environment. Townhall meetings have been conducted by top management to facilitate transparent communication across the organization.</li> <li>Comprehensive code of conduct has been defined and implemented, encompassing employee behaviour, organizational culture, conflict of interest, stakeholder associations, and the associated consequences. Structured training programs are planned for the first quarter of 2024 to ensure awareness and adherence to the code of conduct.</li> <li>The management staff has been inducted into performance management practices to enhance productivity and accountability. A learning and development plan has been initiated for key positions and training calendar based on identified specific needs is being rolled out.</li> <li>The Company is preparing a career and succession planning framework to be implemented in the fiscal year 2024, ensuring the development and growth of employees within the organization.</li> </ul>	Negative Implication



Sl. 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)
7.	Operational Risks: Information Security	Risk	<ul style="list-style-type: none"> <li>Inadequate IT infra and network securities with potential data leakage risks.</li> <li>Data recovery mechanism not so robust</li> <li>Absence of access controls review</li> </ul>	<ul style="list-style-type: none"> <li>The Company currently manages applications and data through internal servers and implements a manual backup mechanism. No data breaches were reported in the 2022-2023 fiscal year. A preliminary assessment of the IT infrastructure has been conducted with the expertise of the parent company's IT team.</li> <li>Pre-Vulnerability Assessment and Penetration Testing (VAPT) activities have been initiated with defined timelines. VAPT and infrastructure assessments are planned to take place in the first half of 2024. An annual Disaster Recovery (DR) drill has been successfully completed, ensuring preparedness in case of any unforeseen incidents.</li> <li>Critical and mandatory IT infrastructure and data security policies have been defined, and their implementation is currently in progress. Key authorization checks and access controls are under review to enhance the security measures in place.</li> </ul>	Negative Implication

## 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.

		P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	<b>a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	<b>c. Weblink of the policies, if available</b>	<a href="https://www.butterflyindia.com/investor-relations/">https://www.butterflyindia.com/investor-relations/</a>								
2.	<b>Whether the Company has translated the policy into procedures. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	<b>Do the enlisted policies extend to the Company's value chain partners? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	<b>Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.</b>	List of standards in which the Company achieved certification are: <ul style="list-style-type: none"> <li>ISO 9000 certificate for LPG Stoves and Mixer Grinders.</li> <li>ISO 9000 Certification for Table Top Wet Grinders.</li> <li>GREEN LABEL Certification for high thermal efficient LPG Stoves.</li> <li>CE Mark, ESMA &amp; CACO Certifications received for mixer grinders.</li> <li>Operates with seven BIS Certification Marks Licenses (ISI Mark Scheme), ISO 9001 QMS</li> </ul>								
5.	<b>Specific commitments, goals and targets set by the Company with defined timelines, if any.</b>	Please refer to the Chairman's Message and Management Discussion and Analysis Report ("MDA") for our management approach and commitments.								



	P1	P2	P3	P4	P5	P6	P7	P8	P9	
6	<b>Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.</b>		The Company continues to focus its efforts towards user friendly, convenient safe, efficient and affordable products through sustainable and durable materials / processes.							

**Governance, leadership and oversight**

7.	<b>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)</b>		The Company's purpose statement is "Powered by Innovation Designed for growth". Please refer to the Chairman's Message, Management Discussion and Analysis Report for our management approach and commitments.							
8.	<b>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</b>		Name : Mr. Rangarajan Sriram Designation: Managing Director Contact: 044-4741 5500 Email:- <a href="mailto:butterflyho@butterflyindia.com">butterflyho@butterflyindia.com</a>							
9.	<b>Does the Company have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>		The Company doesn't have a specific board / director responsible for decision making on sustainability related issues, but the company practices sustainability through our CSR framework. A Risk Management Committee comprising of Managing Director and Independent Directors chaired by the Independent Director, is responsible for the review of risk management processes within the Company, and for overseeing the implementation of the requirements of this policy.							

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review provided below taken by Director/Committee of the Board/ any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically or on need-base by the Board of Directors, department heads, and business heads. During this assessment, the efficacy of the policies is reviewed, and necessary changes to the policies and procedures, if any are implemented									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	A Compliance report across all statutory requirements is submitted to the Audit Committee on a quarterly basis.									Quarterly								

	P1	P2	P3	P4	P5	P6	P7	P8	P9	
11	<b>Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.</b>		Internal and external auditors, where needed, assess these policies during their audits and reviews. However, no formal evaluation by any internal or external agency has been conducted .							

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

Not Applicable as all principles are covered

Policies	Link
Code of Conduct	<a href="https://www.butterflyindia.com/wp-content/uploads/2023/05/Code-of-Conduct_2023.pdf">https://www.butterflyindia.com/wp-content/uploads/2023/05/Code-of-Conduct_2023.pdf</a>
Vigil Mechanism and Whistle Blower Policy	<a href="https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy_28092022.pdf">https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy_28092022.pdf</a>
Code of Conduct to Regulate, Monitor and Report trading by Insiders	<a href="https://www.butterflyindia.com/wp-content/uploads/2022/03/Code-of-Conduct-10.02.2022.pdf">https://www.butterflyindia.com/wp-content/uploads/2022/03/Code-of-Conduct-10.02.2022.pdf</a>

Policies	Link
Prevention of Sexual Harassment Policy	<a href="https://www.butterflyindia.com/wp-content/uploads/2022/03/Prevention-of-Sexual-Harassment-10.02.2022.pdf">https://www.butterflyindia.com/wp-content/uploads/2022/03/Prevention-of-Sexual-Harassment-10.02.2022.pdf</a>
Environment, Health and Safety Policy	This policy is available internally in the company.
Corporate social Responsibility Policy	<a href="https://www.butterflyindia.com/wp-content/uploads/2021/04/CSR-POLICY-20.10.2020.pdf">https://www.butterflyindia.com/wp-content/uploads/2021/04/CSR-POLICY-20.10.2020.pdf</a>
Maternity Leave Policy	This policy is available internally in the company.
Product Service Policy	This policy is available internally in the Company and has been made available to the product service centres.

## Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors & Key Managerial Personnel	10	Familiarization programmes are carried out by way of exhaustive presentations on various topics and areas like 1. Strategy and annual budget of the Company, 2. Internal financial control systems; 3. health and safety; 4. Risk management, and so on.	100%
Employees other than BoD and KMPs & Workers	8	<ul style="list-style-type: none"> <li>• 5S Awareness</li> <li>• Build a Brand for Safety Culture</li> <li>• Electrical Safety Audit Review</li> <li>• Hearing Conservation Training Program</li> <li>• Menstrual Awareness Training</li> <li>• Safety Orientation &amp; 5S Training</li> <li>• Safety Training</li> <li>• Supervisors Training</li> </ul>	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:

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

<b>Monetary</b>					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil
<b>Non-Monetary</b>					
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	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
Not Applicable	

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. Yes.

The Company places great emphasis on maintaining high ethical and legal standards and is dedicated to implementing appropriate regulatory frameworks to govern its business practices. The Company's code of conduct and whistle-blower policy aligns with the relevant anti-corruption and anti-bribery frameworks. link to the policy is [https://www.butterflyindia.com/wp-content/uploads/2023/05/Code-of-Conduct\\_2023.pdf](https://www.butterflyindia.com/wp-content/uploads/2023/05/Code-of-Conduct_2023.pdf) and [https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy\\_28092022.pdf](https://www.butterflyindia.com/wp-content/uploads/2022/09/Whistle-Blower-Policy_28092022.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:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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 conflict of interest.

NIL. There were no cases of corruption or conflicts of interest that required action by regulators, law enforcement agencies, or judicial institutions.

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
12	<ul style="list-style-type: none"> <li>• 7QC Tools Training</li> <li>• 7QC Tools Training-1</li> <li>• 7QC Tools Training-2</li> <li>• Basic First Aid</li> <li>• Behaviour Based Safety</li> <li>• First Aid Training</li> <li>• Fork Lift Operators Training</li> <li>• Motivational Training</li> <li>• Personal Protective Equipment</li> <li>• PMS Workshop</li> <li>• Work Place Improvement</li> </ul>	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

The Company's code of conduct policy mandates that its employees abstain from any activities that could potentially result in a conflict of interest.

**Principle 2: Business should provide goods and services in a manner that is sustainable and safe**
**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

The Company follow an innovation-led and customer centric approach to product development. The Company has its own dedicated R&D team that works on providing customers with the most advanced and useful kitchen appliances. Company has 25 + acre campus with an integrated manufacturing facility to design and develop products. Company is constantly revamping their portfolio to fulfil customer expectations for performance and durability of products.

Segment	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	56.73%	96.13%	<ul style="list-style-type: none"> <li>• Usage of LDPE ( Low density Polyethelene packaging buffers instead of Thermocol)</li> <li>• technology Noise reduction</li> <li>• Using 100 % Copper for motors for longer life</li> <li>• Efficiency Improvement from 68 % to 74 % resulting in Gas consumption saving</li> </ul>
Capex	43.27%	3.87%	

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) :- Yes**

To ensure that suppliers also contribute to long-term sustainability, the Company employs ethical procurement practices and stringent selection criteria that promote environmental protection, social benefits and the optimisation of product and service quality. Through several programs, the Company is aiming to increase suppliers' understanding of their legal obligations, sustainable business practices and the importance of employee health and safety. The Company adheres to international standards, including ISO 9001 and other Environmental, Health, and Safety (EHS) requirements.

- b. If yes, what percentage of inputs were sourced sustainably?**

70.56%

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) (b) E-waste (c) Hazardous waste and (d) other waste.**

The company has shown its commitment to responsible and sustainable manufacturing practices by obtaining ROHS certification for compliance with the restriction on hazardous substances, as well as adhering to PCB statutory compliance for the proper disposal of bakelite and plastic waste, which ensures environmental compliance and protection of human health and safety.

**Plastic-** The standards established by the Pollution Control Board determine the amount of plastic used in the product. In addition, a procedure for the receipt and disposal of plastic is in place and complies with the current statutory regulations.

**E-waste-**The Company complied with EPR for E-waste management with the Central Pollution Control Board.

**For EPR e-waste** authorisation, the organisation has submitted the EPR application to CPCB.

**For plastics packaging waste-** As an organisation fulfilling its EPR obligations, Butterfly received the target from CPCB for channeling its plastics waste across the country.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes EPR applies to the Company's business. The same is accessible on our website at [https://cpcb.nic.in/uploads/Projects/E-Waste/Butterfly\\_Gandhimathi\\_appliances\\_Limited\\_EPR\\_Authorisation.pdf](https://cpcb.nic.in/uploads/Projects/E-Waste/Butterfly_Gandhimathi_appliances_Limited_EPR_Authorisation.pdf)

**Leadership Indicators -**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Not applicable as we have not conducted LCA for any of our products.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023	FY 2022
Spent Oil	46%	20%
Plastic	5%	4%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023			FY 2022		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	946 MT	Nil	Nil	300.94MT
E-waste	Nil	Nil	0.630 MT	Nil	Nil	Nil
Hazardous waste	Nil	Nil	171 MT	Nil	Nil	59.54 MT
Other waste	Nil	Nil	1651.534 MT	Nil	Nil	631.6155 MT

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Damaged material comes to the depots and is disposed off through the contracting process. The quantum of the amount is almost negligible.	

**Principle 3: Business should respect and promote the wellbeing of all employees, including those in their value chains**

**Essential indicators:**

1. a. Details of measures for the wellbeing of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	655	0	0%	583	89.01%	NA	NA	NA	NA	Yes	-
Female	46	0	0%	24	52.17%	46	100%	NA	NA	Yes	-
<b>Total</b>	<b>701</b>	<b>0</b>	<b>0%</b>	<b>607</b>	<b>86.59%</b>	<b>46</b>	<b>6.56%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent employees</b>											
Male	0	0	0%	0	0%	0	0	NA	NA	0	0%
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0%</b>

**b. Details of measures for the wellbeing of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	386	0	0%	152	39.39%	NA	NA	NA	NA	NA	NA
Female	262	0	0%	3	1.15%	262	100%	NA	NA	Yes	-
<b>Total</b>	<b>648</b>	<b>0</b>	<b>0%</b>	<b>155</b>	<b>23.92%</b>	<b>262</b>	<b>40.43%</b>	<b>NA</b>	<b>NA</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent Workers.</b>											
Male	522	0	0%	2	0.38%	NA	NA	NA	NA	NA	NA
Female	629	0	0%	0	0%	629	100%	NA	NA	Yes	-
<b>Total</b>	<b>1151</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>0.17</b>	<b>629</b>	<b>54.65%</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2023			FY 2022		
	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%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	Eligibility as per ESIC Act					
Others- please specify	NA					

**3. Accessibility of workplaces**

**Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.**

The Company is implementing appropriate measures to provide its employees with a better, more accessible work environment.

**4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company is committed to ensuring that existing employees, job applicants and workers are treated fairly in an environment free from discrimination based on race, gender, religion or beliefs, disability, age, sexual orientation, gender identity, gender expression, and so on. The Company promotes equal treatment and opportunities for all employees.

The link to the policy is [https://www.butterflyindia.com/wp-content/uploads/2023/05/Code-of-Conduct\\_2023.pdf](https://www.butterflyindia.com/wp-content/uploads/2023/05/Code-of-Conduct_2023.pdf)

**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	-	-	-	-
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Yes
Other than permanent workers	Yes
Permanent employees	Yes
Other than permanent employees	Yes

The Company is committed to promoting transparency across all levels of the organization. Employees are encouraged to openly discuss any concerns they may have with their managers, while contracted workers are urged to bring up any issues with their respective managers.

In addition, workers are also encouraged to share their concerns with the worker representative, primary manager, or HR SPOC available at different locations. Contracted workers have the option to raise their concerns with the contractor representative or the Company HR SPOC, including supervisors and contractors. In cases where an employee or worker has violated the Company's code of conduct policy, appropriate actions are taken against them.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023			FY 2022		
	Total employees/workers in respective category	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)
<b>Total Permanent Employees</b>	701	0	0	688	0	0
- Male	655	0	0	643	0	0
- Female	46	0	0	45	0	0
Other	0	0	0	0	0	0
<b>Total Permanent Workers</b>	648	0	0	644	0	0
- Male	386	0	0	394	0	0
- Female	262	0	0	250	0	0
Other	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2023					FY 2022				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	655	110	16.79%	92	14.05%	Nil	Nil	0%	Nil	0%
Female	46	19	41.30%	2	4.35%	Nil	Nil	0%	Nil	0%
<b>Total</b>	<b>701</b>	<b>129</b>	<b>18.40%</b>	<b>94</b>	<b>13.41%</b>	<b>Nil</b>	<b>Nil</b>	<b>0%</b>	<b>Nil</b>	<b>0%</b>
<b>Workers</b>										
Male	386	56	14.51%	84	21.76%	Nil	Nil	0%	Nil	0%
Female	262	126	48.09%	37	14.12%	Nil	Nil	0%	Nil	0%
<b>Total</b>	<b>648</b>	<b>182</b>	<b>28.09%</b>	<b>121</b>	<b>18.67%</b>	<b>Nil</b>	<b>Nil</b>	<b>0%</b>	<b>Nil</b>	<b>0%</b>

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
<b>Employees</b>						
Male	655	655	100.00%	643	643	100.00%
Female	46	46	100.00%	45	45	100.00%
<b>Total</b>	<b>701</b>	<b>701</b>	<b>100.00%</b>	<b>688</b>	<b>688</b>	<b>100.00%</b>

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Workers</b>						
Male	386	386	100.00%	394	394	100.00%
Female	262	262	100.00%	250	250	100.00%
<b>Total</b>	<b>648</b>	<b>648</b>	<b>100.00%</b>	<b>644</b>	<b>644</b>	<b>100.00%</b>

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The company is committed to implementing an Occupational Health and Safety (OHS) system in accordance with the guidelines of IS14489. Currently, the implementation of the OHS system is in progress.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes. The company is committed to ensuring the safety and well-being of its staff and personnel. As part of this commitment, the company provides first aid training to watch staff and safety personnel to equip them with the necessary knowledge and skills to respond to medical emergencies and accidents.

- c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes. The company provides training to all workmen on reporting near miss incidents, unsafe acts, and unsafe conditions as part of its employee engagement efforts. Through this training, the company aims to encourage workmen to actively participate in maintaining a safe working environment by reporting any potential hazards or risks. The company's commitment to providing this training is a testament to its dedication to creating a safe and healthy workplace for all its employees.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the company is dedicated to promoting the welfare of its workmen by providing them with several benefits. Workmen of the company are covered under various schemes, such as Employee State Insurance (ESI), Employee Provident Fund (EPF), and other similar schemes to ensure their financial security.

**11. Details of safety related incidents, in the following format:**

Safety Incident /Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Worker	0.21	0.30
Total recordable work-related injuries	Employees	0	0
	Worker	3.17	5.68
No. of fatalities	Employees	0	0
	Worker	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	0
	Worker	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company is committed to ensure the safety of their people and have implemented a number of initiatives to minimise injuries at the workplace and promote safety awareness. Company have a comprehensive incident and injury reporting and tracking system. It allows Company to identify issues and devise mitigation plans that help to prevent incidents in future. Company also have a safety committee that includes representatives from all functional areas of the company. The committee meets regularly to review safety performance, identify opportunities for improvement, and develop action plans.





13. Number of Complaints on the following made by employees and workers:

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	No complaints have been received			No complaints have been received		
Health & Safety						

14. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	

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.

All near miss, Incidents and injuries being investigated by safety professional and appropriate corrective action being taken. As a proactive measure machinery and process risk assessment is in progress.

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees - Yes

(B) Workers - Yes

All Employees and Workers are covered under Group Term Life Insurance Policy.

2. Provide the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.

The Company tracks the legal compliances within proper dates as applicable. Stakeholders are trained to ensure compliance. The Company also undertakes monthly audits with its value chain partners.

3. Provide the number of employees / workers having suffered grave consequences due to work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the entity provides transition assistance programmes in cases of retirement and only on need-based.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

**Principle 4: Business should respect the interests of and be responsive to all its stakeholders**

1. Describe the processes for identifying key stakeholder groups of the Company.

The Company interacts with a wide range of stakeholders including investors, consumers, suppliers, and workers, through various channels. Company have its own stakeholder relations committee to engage with their stakeholders and to monitor redressal of stakeholder's complaints/grievances. The policy is available on the website of the Company and can be accessed at: <https://www.butterflyindia.com/wp-content/uploads/2021/04/POLICY-OF-STAKEHOLDERS-RELATIONSHIP-COMMITTEE-20.10.2020.pdf>

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> <li>• Meetings/ Town hall briefings</li> <li>• Employee engagement activities and surveys</li> <li>• Team building, workshops, capability building and training</li> <li>• Performance management system</li> <li>• Employee newsletters</li> <li>• Rewards and recognitions</li> </ul>	Continuous Basis	The Company recognizes the invaluable contribution of its employees to its long-term success. They are considered the most important asset and a key factor in increasing the Company's competitiveness and maintaining its market leadership.
Communities	Yes	Community Meeting, Website, CSR Events	Need based	The Company understands the importance of empowering the community for its long-term business sustainability. It has undertaken various upliftment projects and activities aimed at developing strong and enduring relationships with the communities it serves.
Customers	No	Emails, Telephonic Conversations, Physical Meetings, Online Platforms Advertisements, Website	Need Based	The Company recognizes that customers' purchasing habits significantly influence its operations. Therefore, maintaining continual contact with customers is essential to understand their evolving needs and desires.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Vendors and Suppliers	No	Emails, Telephonic Conversations, One to one Meetings	Continuous	The Company understands that collaborating with suppliers is vital to maintain smooth business operations. The Company places a high value on efficient procurement practices as they play a significant role in ensuring a reliable supply chain and fostering strong relationships with its suppliers.
Workers	Yes	Safety Meetings, Notice Boards,	Daily	The Company deeply appreciates the substantial contributions made by its workers towards ensuring its long-term success. The Company regards its workers as a precious asset and acknowledges their crucial role in enhancing its strength and position in the industry.
Investors/ shareholders	No	<ul style="list-style-type: none"> <li>• Online Platforms, Website, Newspaper, Advertisement</li> <li>• Annual General Meeting</li> <li>• Financial result declarations</li> <li>• Media releases</li> <li>• Investor calls and meets</li> </ul>	Quarterly and Annually	Investors provide vital support to the Company by strengthening its financial position and helping to secure its long-term viability.

### 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.

The company's stakeholder relationship committee monitors all redressal of stakeholder's complaints/grievances.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity. Yes

After stakeholder consultation, the Company has identified significant environmental and social concerns. Material topics were shortlisted and prioritised according to their influence on stakeholders and businesses.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

There are no reportable concerns of vulnerable / marginalised groups. However, the Company undertakes various CSR activities in local areas that serve the vulnerable / marginalised stakeholder group.

**Principle 5: Business should respect and promote human rights**
**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

The Company operates in an open, fair and transparent manner and is dedicated to upholding the highest ethical standards and practices. To expose unethical conduct and encourage professionalism and ethical behaviour among its staff, the whistle-blower and code of conduct policies are in place.

2. Details of minimum wages paid to employees and workers, in the following format:

On-roll and contractual workers are paid in compliance with the minimum wage act. The Company's employees are paid as per industry standards.

Category	FY 2023					FY 2022				
	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)
<b>Employees</b>										
<b>Permanent</b>	701	0	0	701	100%	688	0	0	688	100%
Male	655	0	0	655	100%	643	0	0	643	100%
Female	46	0	0	46	100%	45	0	0	45	100%
<b>Other than Permanent</b>	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Workers</b>										
<b>Permanent</b>	648	23	3.55%	619	95.52%	647	6	0.93%	638	98.61%
Male	386	5	1.30%	381	98.70%	394	1	0.25%	393	99.75%
Female	262	18	6.87%	238	90.84%	253	5	1.98%	245	96.84%
<b>Other than Permanent</b>	1151	861	74.80%	290	25.20%	1363	1057	77.55%	306	22.45%
Male	522	315	60.34%	207	39.66%	633	341	53.87%	292	46.13%
Female	629	546	86.80%	83	13.20%	730	716	98.08%	14	1.92%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	6	7,35,000	2	6,15,000
Key Managerial Personnel (KMP)#	3	44,38,047	0	0
Employees other than BoD and KMP	654	5,41,776	46	3,24,450
Workers	386	2,88,084	262	2,15,118

#The median is calculated on annual CTC of all KMPs as on March 31, 2023. However, Mr. Viral Sarvaiya was appointed as Company Secretary & Compliance Officer w.e.f. March 25, 2023 i.e for part of the year, however median is annualised.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

The company recognizes the importance of human rights violations and is committed to maintaining a safe and productive workplace. To achieve this, the company has implemented a POSH policy and a whistle-blower policy, with regular training sessions for employees to understand the implications of these policies and human rights issues. The company has a zero-tolerance policy towards human rights violations, which is one of its key focus areas. Any reported violations shall be investigated by the management, following the company's code of conduct policy.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The company is deeply committed to universally recognized human rights standards and principles across all of its operations. In order to prevent any violations of these fundamental rights, the company has established clear policies and practices, including the implementation of POSH and whistleblower procedures to enable employees to report any concerns. Transparency and accountability are highly valued by the company, which is dedicated to promoting a safe, respectful, and inclusive work environment for all employees. Through these efforts, the company strives to ensure that human rights are respected at all times, and that all individuals associated with the company are treated with dignity and respect.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other Human rights related issues	0	0	0	0	0	0

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The company has established a robust whistle-blower policy that provides clear guidelines to prevent any retaliation against a complainant. The policy ensures that a complainant has the right to remain anonymous, except when mandated by law enforcement agencies. By implementing such measures, the company demonstrates its commitment to providing a safe and secure environment for its employees to voice their concerns without fear of retribution.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, the Company has a process in place to ensure that all new vendors or suppliers onboarded are in compliance with human rights requirements. The company recognizes that its suppliers and vendors are essential to its success and viability, and it places great importance on their adherence to ethical standards. Regular engagement activities are organized by the company to foster a collaborative relationship with its suppliers and vendors. These activities help to build trust and promote transparency, allowing for open communication about ethical and sustainable practices. By working closely with its suppliers and vendors, the company can ensure that all stakeholders share the same values and principles, creating a supply chain that benefits both the company and society as a whole.

**9. Assessment for the year:**

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	0
Forced Labour/Involuntary Labour	0
Sexual Harassment	0
Discrimination at workplace	0
Wages	0
Other- please specify	NA

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No complaints related to child labour, forced labour, involuntary labour, or discriminatory employment were received during the reporting year, and none are pending at the end of the reporting year.

### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

NIL

2. Details of the scope and coverage of any Human rights due-diligence conducted.

NIL

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?

The Company is committed to providing accessibility to all visitors, including those with disabilities, in accordance with the Rights of Persons with Disabilities Act of 2016. To fulfill this commitment, the Company is in process of implementing appropriate measures to ensure that its premises and offices are designed and equipped to meet the needs of differently-abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The company has a strong expectation that its value chain partners maintain the same ethical values, principles, and business practices upheld by the company in all their dealings. However, no detailed evaluations of its value chain partners' adherence to these requirements have been made.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
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 corrective action pertaining to Question 4 was necessitated by the Company during the year under review.

### Principle 6: Business 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	FY 2023	FY 2022
Total electricity consumption (A)	27,221	27,902
Total fuel consumption (B)	4,792	5,669
Energy consumption through other sources (C)	0	0
<b>Total energy consumption (A+B+C)</b>	<b>32,013</b>	<b>33,571</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) 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.

No. The Company does not fall under the PAT scheme of the Government of India.

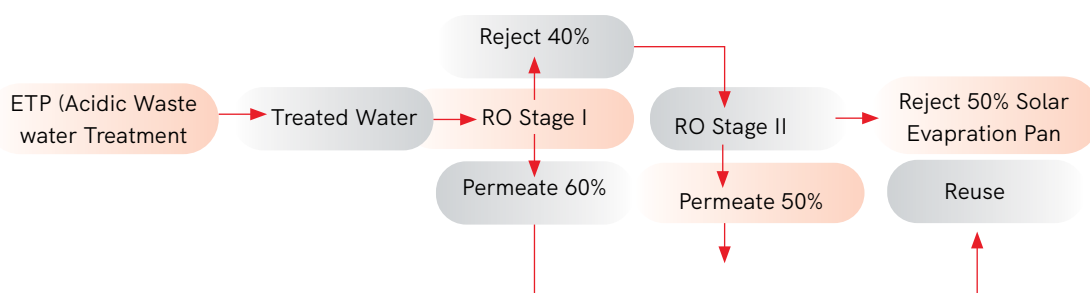
3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023	FY 2022
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	16021	19840
(iii) Third party water	1856	2264.63
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>17877</b>	<b>22,104</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>17877</b>	<b>22104</b>
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes , the Company has implemented a mechanism for Zero Liquid Discharge. The process flow diagram is as follows :



5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

Parameter	Unit	FY 2023	FY 2022
NOx	µ/m3	46	42.8
SOx	µ/m3	11	10.1
Particulate matter (PM)	µ/m3	69	51.19
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

6. Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023	FY 2022
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	265.6	381.9
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4685	5170.4
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

90 % of reduction in thermocal usage when compared to previous year. Also the Organization has already 30% of green Land. Apart from this Organization has planned to increase the green land by additional plantations.

8. Provide details related to waste management by the Company, in the following format:

Parameter	FY 2023	FY 2022
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	688.654	300.94
E-waste (B)	0.630	-
Bio-medical waste (C)	0.000425	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.759	-
Radioactive waste (F)	-	-
Other Hazardous Waste. Please specify, if any. (G)	175.68	59.54
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1355.635	631.6155
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>2221.358</b>	<b>992.0955</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>For each category of waste generated, total waste disposed of through disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	175.68	59.54
(ii) Landfilling	-	-
(iii) Other disposal operations	1355.635	631.6155
<b>Total</b>	<b>1531.315</b>	<b>691.1555</b>

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:

9. Briefly describe the waste management practices adopted in your establishment. 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.

The company has adopted waste management systems in each of its locations to promote sustainability and reduce waste. Through the implementation of technological interventions and ongoing initiatives, such as sustainable packaging and waste source segmentation, Company have been successful in further reducing waste. Moreover, the introduction of lean manufacturing techniques, such as the cellular line of conveyors at the Mixer Grinder assembly in Urappakkam, has resulted in capacity optimization, enhanced process efficiencies, reduced downtime, waste elimination, and productivity improvement. These efforts demonstrate the company's commitment to promoting sustainability and continuous improvement in their operations, delivering value to their customers, and making a positive impact on the environment.

10. 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:

No, the Company does not have any offices or plants located around ecologically sensitive areas.

11. 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
Not Applicable					



12. 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).

Yes, the Company is committed to complying with all applicable environmental laws and regulations. The Company has not incurred any significant fines related to environmental compliance during the FY2022-23.

### Leadership Indicators -

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023	FY 2022
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>-</b>	<b>-</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	27,221	27,902
Total fuel consumption (E)	4,792	5,669
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>32,013</b>	<b>33,571</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

2. Provide the following details related to water discharged:

Parameter	FY 2023	FY 2022
(i) To Surface Water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) To Groundwater	16021	19840
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	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
<b>Total water discharged (in kilolitres)</b>	<b>16021</b>	<b>19840</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) **Name of the area** : Not Applicable  
(ii) **Nature of operations** : Not Applicable

(ii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023	FY 2022
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	-	-
<b>Total volume of water consumption (in kilolitres)</b>	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) - the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
i) Into Surface water	-	-
- No treatment		
- With treatment - please specify level of treatment		
(ii) Into Groundwater	-	-
- No treatment		
- With treatment - please specify level of treatment		
(iii) Into Seawater	-	-
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties	-	-
- No treatment		
- With treatment - please specify level of treatment		
(v) Others	-	-
- No treatment		
- With treatment - please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023	FY 2022
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 3 emission intensity</b> (optional) - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity provided below taken 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:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
---------	-----------------------	--	---------------------------

The company's dedicated R&D team continues to develop and manufacture products that are energy efficient and sustainable. Company have improved the thermal efficiency of domestic LPG stoves, from the mandatory 68% prescribed by the Indian Standard IS 4246: 2002. It is one of our major thrust areas for saving energy.

To address concerns of operator fatigue, unsafe acts, and frequent accidents during manual trimming of the SS cookers, company designed and implemented an automated SS lid trimming machine with two stations. This investment eliminates the need for extra operators, reduces labour costs, improves safety by reducing the risk of accidents and minimises operator fatigue. Company has also introduced wire harness and self-bonding machines to eliminate hazardous operations such as soldering and coil varnishing. It has not only increased productivity but, also reduced process rejections.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Butterfly Gandhimathi has implemented a comprehensive disaster management plan to proactively address any potential disruptions that may impact their business activities or processes. By conducting regular evaluations of their existing systems and processes, company can confidently prevent and recover from any potential threats. This plan ensures that Company can continue to deliver their products or services at pre-defined acceptable levels, even in the face of unexpected challenges. Regular training on the operation of equipment such as fire extinguishers and emergency treatments is provided. Audits and mock exercises are performed on a regular basis to enhance the system.

8. 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 significant adverse impact on the environment arising from the value chain of the entity.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential indicators**

1. a. Number of affiliations with trade and industry chambers/associations.

The Company is affiliated with 1 trade and industry chamber and association

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/ National)
1	Bureau of Indian Standards	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

For the fiscal year, the Company received no adverse orders from regulatory bodies; hence, no corrective actions were required.

## Leadership Indicators

### 1. Details of public policy positions advocated by the Company:

The Company, is a key member of the BIS technical committee, where it works on specifications, standards, upgrades, and interfaces with BEE/ ISO standards.

### Principle 8: Businesses should promote inclusive growth and equitable development

#### Essential Indicators

### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, 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
Not Applicable					

### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Not applicable						

### 3. Describe the mechanisms to receive and redress grievances of the community.

Company has its dedicated CSR committee that supervise and monitor progress of various projects and activities whether carried out directly by the Company or through implementing agencies. The CSR policy can be accessed on the website of the Company at: <https://www.butterflyindia.com/wp-content/uploads/2021/04/CSR-POLICY-20.10.2020.pdf>

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023	FY 2022
Directly sourced from MSMEs/small producers	70.57%	63.36%
Sourced directly from within the district and neighbouring districts	48.39%	47.80%

## Leadership Indicators

### 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

### 2. Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational District	Amount spent (₹)
1	Tamil Nadu	Chengalpattu	2,80,000

### 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? - No

(Yes/No)

### (b) From which marginalized /vulnerable groups do you procure? - NA

### (c) What percentage of total procurement (by value) does it constitute - Not Applicable

The Company is committed to supporting sustainable and ethical procurement and supply chain practises, as well as equal opportunity for all procurement partners and suppliers. The Company assures that the onboarding process for vendors and suppliers is streamlined and efficient by implementing a complete set of standard operating procedures and checklists. This strategy enables the company in maintaining an optimistic outlook towards its procurement practises and relationships with suppliers.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

**6. Details of beneficiaries of CSR Projects:**

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	The tractor bodies to Local Panchayat, Kelambakkam	1	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.**

The Company has dedicated customer care service to address customer grievances. Consumers can also address their issues by calling the customer service number as provided on the company’s website. The weblink for the customer care service is <https://www.butterflyindia.com/after-sales/>

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY 2023		Remarks	FY 2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil		Nil	Nil	
Cyber- security	Nil	Nil		Nil	Nil	
Delivery of essential services	516520	1457		543965	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other (product related)	Nil	Nil		Nil	Nil	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	492	Due to inferior Quality in Elite V3 (Power Hob)
Forced recalls	-	-

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The company has a privacy policy in place that provides safety measures to protect user and device data security. The policy is present on the Company's website and can be accessed using this link: <https://www.butterflyindia.com/wp-content/uploads/2022/03/Privacy-Policy-10.02.2022.pdf>

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. -

Not applicable

**Leadership Indicators**

1. Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available).

The products of the company can be accessed on company's website

Website: <https://www.butterflyindia.com/product/>

Linkedin : <https://www.linkedin.com/company/butterfly/>

Instagram: [https://www.instagram.com/butterfly\\_kitchen\\_appliances/](https://www.instagram.com/butterfly_kitchen_appliances/)

Facebook: <https://www.facebook.com/butterflyindia/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company provides Warranty Manual Book along with the product for safe installation and usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company takes measures to ensure that consumers are well-informed of any potential risks of disruption associated with their products. To achieve this, the Company provides consumers with a warranty manual book along with their purchased products, which contains relevant information on any potential risks and disruptions that may arise.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/ No)

Yes, the Company ensures that the information required to be disclosed on the product's labels or manuals is specified. All of the Company's goods that require installation come with instruction manuals demonstrating how to safely install and use the devices. It includes dos and don'ts to ensure proper usage of the product . Customer feedback on product installation and service is collected by the services team.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches, along with impact

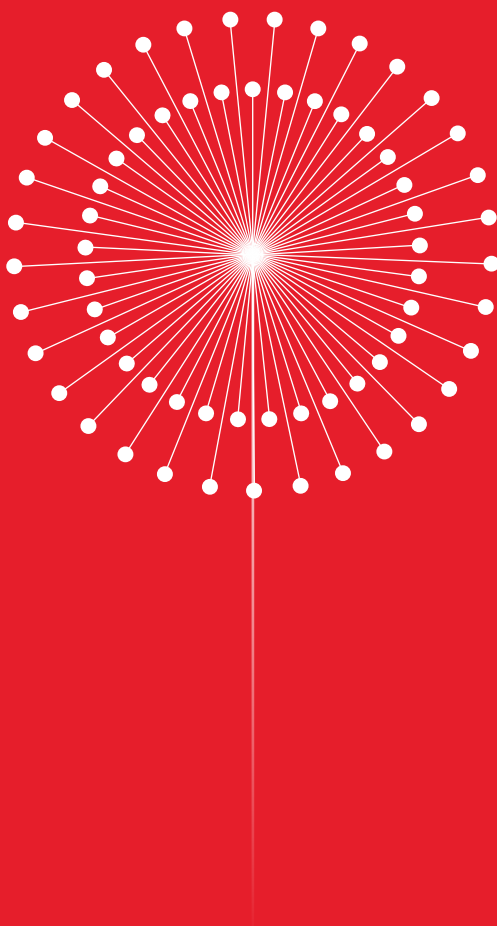
The Company has not had any known incidents of data breaches during the year under review.

b. Percentage of data breaches involving personally identifiable information of customers

NIL



# Financial Statements



# Independent Auditor's Report

To  
The Members of **Butterfly Gandhimathi Appliances Limited**

## Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements ("the financial statements") of **Butterfly Gandhimathi Appliances Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 matter described below to be the key audit matter to be communicated in our report.

Sr No	Key Audit Matter	Auditor's Response
1	<b>Inventories:</b> The Company has inventory with the carrying value of Rs. 12,509.43 lakhs as at the year end. The inventory is valued at the lower of cost and net realizable value. We considered the value of the inventory as key audit matter given the relative size of the balance in the financial statements and significant judgement involved in determining the appropriate valuation of inventory based upon a detailed analysis of slow-moving inventory, net realisable value below cost etc.	<b>Audit Procedures:</b> We understood and tested the design and operating effectiveness of controls as established by the management in determination of cost, provision for slow-moving inventory and net realizable value of inventory. We have verified the closing stock valuation as at the year end. We considered various factors including the actual selling price prevailing around and subsequent to the year-end. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. Verified the provision created for slow-moving inventory, as per the policy of the Company. Further, we have verified the physical verification working papers of the Company and performed physical verification independently on a sample basis.





## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions.

## Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control 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 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 management.
- Conclude on the appropriateness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 misstatement in the 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 control 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 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act, 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 read with Schedule V of the Act, and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2023 on its financial statements - Refer Note No. 5.1.1 to the Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
  - v. The Company has neither declared nor paid any dividend during the year.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to maintaining books of account using accounting software which has a feature of recording audit trail (edit log facility) is applicable to the Company only with effect from April 1, 2023 and accordingly reporting under clause (g) of Rule 11 is not applicable for the current financial year.

**For ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

**G N Ramaswami**

Partner

Membership No. 202363

UDIN: 23202363BGSQTP3323

Place: Chennai

Date: May 12, 2023



## Annexure- A

referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) (a) (A) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars of intangible assets.
- (b) A portion of the Property, Plant and Equipment were physically verified during the year by the management in accordance with phased program of verification, which in our opinion covers all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of audit procedures performed by us, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.
- (d) According to information and explanations given to us and audit procedures performed by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to information and explanations given to us and audit procedures performed by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The inventory, except stock lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. In respect of stock lying with third parties, we have relied on the confirmation from them. According to information and explanations given to us and audit procedures performed by us, no discrepancies were noticed on verification between the physical stocks and book records that were more than 10% in the aggregate of each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. According to information and explanations given to us and on the basis of our examination of the records of the Company, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company, except as follows:

₹ in lakhs

Name of the Banks	Quarter	Amount as per books of account	Amount as reported in the Quarterly Return/ Statement	Amount of Differences	Reason for Discrepancies (As explained by the management)
State Bank of India, South Indian bank, Indusind Bank, IDBI Bank Limited.	Jun-22	12,975.25	14,782.70	1,807.45	Provisions, Regrouping, Final Entries are not part of Bank data, the details get shared with initial reports.
	Sep-22	11,825.05	12,547.36	722.31	
	Dec-22	10,510.76	11,062.69	551.93	
	Mar-23	13,529.59	15,380.97	1,851.38	

- iii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or any other parties during the year except for First Loss Default Guarantee (FLDG), as detailed below.
- a. The company does not have any subsidiaries, joint ventures or associates. Accordingly, reporting under clause 3(iii) (a) (A) is not applicable.
- b. The company has not issued any guarantee during the year and the outstanding balance of guarantee as at the year-end is Rs. 2,400 Lakhs.
- b) The terms and conditions of the guarantee are not prejudicial to the interest of the company.
- iv. According to information and explanations given to us and audit procedures performed by us, the Company has neither made any investments nor has given loans or security and therefore the relevant provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company. In respect of guarantee issued by the Company, the provisions of section 186 of the Companies Act, 2013 have been complied with.



- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of its manufactured goods and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' state insurance, Income-tax, Sales-tax, Service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. There are no material outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day they becomes payable.
- (b) According to the information provided and explanations given to us, the details of duty of Excise, Goods & Service Tax, Value added tax that have not been deposited on account of dispute are as under:

₹ in lakhs

Sl.No	Name of the Statue	Nature of the dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty	66.24	FY 2012-13	Customs, Excise, Service Tax Appellate Tribunal (CESTAT)
2	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax (VAT)	64.70	FY 2006-07 to 2008-09	Assistant Commissioner (CT)
3	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax (VAT)	33.78	FY 2009-10 to 2012-13	Sales Tax Appellate Tribunal
4	Maharashtra Value Added Tax Act, 2002	Value Added Tax (VAT)	30.18	FY 2015-16	Joint Commissioner (Appeals)
5	Maharashtra Goods and Service Tax, 2017	Goods and Service Tax (GST)	15.27	FY 2017-18	Deputy Commissioner (ST)
6	Employees' State Insurance Act, 1948	Employees' State Insurance	7.00	FY 1992-1993 to FY 2008-2009	Employees Insurance Court.

- viii. According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year and accordingly reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. (a) According to the information and explanations given to us and audit procedures performed by us, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to the lenders during the year.
- (b) According to the information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year and accordingly reporting under clause 3 (ix)(e) and clause 3 (ix)(f) of the Order is not applicable to the Company.

- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year, except the fraud by an employee having an estimated financial impact of Rs. 3.46 Lakhs (Sales value - Rs. 9.16 Lakhs). The Company has recovered the entire loss from the employee and he has been relieved from the employment.
- (b) According to the information and explanations given to us, No report under sub-section 12 of section 143 of the Act, in ADT-4 has been filed by the auditors during the year and hence clause 3 (xi)(b) of the order is not applicable.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. (a) According to the information and explanations given to us and audit procedures performed by us, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the year under audit.
- xv. According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.
- xvii. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and 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, 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 that the 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 information and explanation as made available to us by the management of the Company 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 not transferred the sum of Rs. 0.64 Lakhs being the amount remaining unspent in respect of other than ongoing projects, to a fund specified in Schedule VII to the Companies Act, 2013 till the date of this report. However, the time period for such transfer, i.e., six month of the expiry of the financial year, as permitted under the second proviso to sub-section (5) of Section 135 of the Act, has not elapsed till the date of our report.
- (b) According to the information and explanations given to us, there are no ongoing projects with respect to CSR activities and hence reporting under clause 3 (xx) (b) of the Order is not applicable to the Company.

**For ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

**G N Ramaswami**

Partner

Membership No. 202363

UDIN: 23202363BGSQTP3323

Place: Chennai

Date: May 12, 2023



# Annexure - B to the Independent Auditors' Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Butterfly Gandhimathi Appliances Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

**G N Ramaswami**

Partner

Membership No. 202363

UDIN: 23202363BGSQTP3323

Place: Chennai

Date: May 12, 2023



# Balance Sheet

as at March 31, 2023

₹ in lakhs

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3.1	13,506.15	13,372.79
(b) Capital Work-in-Progress	3.1.4	290.94	550.42
(c) Other Intangible Assets	3.2	2,785.85	3,023.21
(d) Intangible Assets Under Development	3.2.1	61.51	69.89
(e) Financial Assets			
(i) Investments	3.3	34.92	34.39
(ii) Other Financial Assets	3.4	282.44	369.51
(f) Other Non- Current Assets	3.5	233.67	268.68
<b>Current Assets</b>			
(a) Inventories	3.6	12,509.43	20,969.14
(b) Financial Assets			
(i) Trade Receivables	3.7	12,370.80	9,276.74
(ii) Cash and Cash Equivalents	3.8	3,268.84	120.48
(iii) Bank Balances other than (ii) above	3.9	2,890.51	976.50
(iv) Other Financial Assets	3.10	88.40	27.53
(c) Current Tax Assets (Net)	3.11	-	180.88
(d) Other Current Assets	3.12	1,947.06	2,570.63
<b>Total Assets</b>		<b>50,270.52</b>	<b>51,810.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	3.13	1,787.96	1,787.96
(b) Other Equity	3.14	26,776.34	21,712.65
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	3.15	-	456.19
(ii) Lease Liabilities	3.16	373.48	60.11
(b) Deferred Tax Liabilities (Net)	3.17	1,130.64	490.16
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	3.18	-	4,770.28
(ii) Lease Liabilities	3.19	119.90	45.37
(iii) Trade Payables	3.20		
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises; and		2,756.93	1,018.80
b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		9,744.03	12,786.69
(iv) Other Financial Liabilities	3.21	5,724.70	7,021.62
(b) Other Current Liabilities	3.22	1,054.57	804.50
(c) Short Term Provisions	3.23	675.15	856.46
(d) Current Tax Liabilities (Net)	3.24	126.82	-
<b>Total Equity and Liabilities</b>		<b>50,270.52</b>	<b>51,810.79</b>

The accompanying notes form an integral part of these Financial Statements

As per our report of even date attached

**For ASA & Associates LLP**

Chartered Accountants

Firm Regn No. 009571N/N500006

**G.N.RAMASWAMI**

Partner

Membership No. 202363

For and on behalf of the Board

**BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**
**P.M. MURTY**

Non- Executive Independent Chairman

DIN:00011179

**A.BALASUBRAMANIAN**

Independent Director

DIN:00490921

**VIRAL SARVAIYA**

Company Secretary &amp; Compliance Officer

ICSI Membership No. A33764

**RANGARAJAN SRIRAM**

Managing Director

DIN:09550640

**B.ANANDA SHALINI**

Chief Financial Officer

Place: Chennai

Date: 12.05.2023

# Statement of Profit and Loss

for the year ended March 31, 2023

₹ in lakhs

Particulars	Note No	Year Ended March 31, 2023	Year Ended March 31, 2022
I Revenue from Operations	4.1	1,05,655.24	95,985.86
II Other Income	4.2	659.03	194.22
<b>III Total Income (I+II)</b>		<b>1,06,314.27</b>	<b>96,180.08</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	4.3	42,692.32	48,844.91
Purchase of Stock in Trade		19,315.84	16,512.84
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	4.4	4,802.51	(1,330.16)
Employee Benefits Expense	4.5	10,135.64	9,920.09
Finance Costs	4.6	650.59	1,113.44
Depreciation and Amortisation	4.7	1,615.26	1,546.49
Other Expenses	4.8	19,056.78	16,435.67
<b>Total Expenses (IV)</b>		<b>98,268.94</b>	<b>93,043.28</b>
<b>V Profit Before Exceptional Items and Tax ( III- IV)</b>		<b>8,045.33</b>	<b>3,136.80</b>
VI Exceptional Items	4.9	-	660.48
<b>VII Profit Before Tax ( V- VI)</b>		<b>8,045.33</b>	<b>2,476.32</b>
<b>VIII Tax Expense</b>			
- Current Tax		2,183.00	560.58
- For Earlier Years		-	(48.05)
- Deferred Tax		695.75	351.11
<b>Total Tax Expense</b>		<b>2,878.75</b>	<b>863.64</b>
<b>IX Profit for the Year ( VII- VIII)</b>		<b>5,166.58</b>	<b>1,612.68</b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurements of Defined Benefit Plan Actuarial Gains / (Losses)		(158.16)	38.19
Income Tax expense on above	3.17.2	55.27	(13.35)
		<b>(102.89)</b>	<b>24.84</b>
<b>XI Total Comprehensive Income for the Year (Comprising Profit and other comprehensive Income for the Year ( IX+ X)</b>		<b>5,063.69</b>	<b>1,637.52</b>
<b>XII Earnings Per Equity Share ( Face Value of ₹.10 each)</b>			
(1) Basic in ₹.		28.90	9.02
(2) Diluted in ₹ .		28.90	9.02

The accompanying notes form an integral part of these Financial Statements

As per our report of even date attached  
**For ASA & Associates LLP**  
 Chartered Accountants  
 Firm Regn No. 009571N/N500006

**G.N.RAMASWAMI**  
 Partner  
 Membership No. 202363

For and on behalf of the Board  
**BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

**P.M. MURTY**  
 Non- Executive Independent Chairman  
 DIN:00011179

**A.BALASUBRAMANIAN**  
 Independent Director  
 DIN:00490921

**VIRAL SARVAIYA**  
 Company Secretary & Compliance Officer  
 ICSI Membership No. A33764

**RANGARAJAN SRIRAM**  
 Managing Director  
 DIN:09550640

**B.ANANDA SHALINI**  
 Chief Financial Officer

Place: Chennai  
 Date: 12.05.2023



# Statement of Changes in Equity

for the year ended March 31, 2023

## A. Equity Share Capital

₹ in lakhs

<b>As at April 01, 2021</b>	<b>1,787.96</b>
Changes in Equity Share Capital during the year	-
<b>As at March 31, 2022</b>	<b>1,787.96</b>
Changes in Equity Share Capital during the year	-
<b>As at March 31, 2023</b>	<b>1,787.96</b>

## B. Other Equity

₹ in lakhs

Particulars	Reserves and Surplus					Revaluation Surplus	Other Comprehensive Income (OCI)	Total
	General Reserve	Security Premium	Capital Profit		Retained Earnings		Remeasurement of Net Defined benefit Liability/ Asset	
			Capital Reserve *	Capital Redemption Reserve **				
<b>Balance as at April 01, 2021</b>	<b>538.56</b>	<b>9,701.53</b>	<b>1.73</b>	<b>142.10</b>	<b>10,152.09</b>	<b>80.08</b>	<b>(4.57)</b>	<b>20,611.52</b>
Total Comprehensive Income for the Year	-	-	-	-	1,612.68	-	-	1,612.68
Other Comprehensive Income for the Year	-	-	-	-	-	-	24.84	24.84
Dividends Paid (₹3.00 Per Share)	-	-	-	-	(536.39)	-	-	(536.39)
<b>Balance as at March 31, 2022</b>	<b>538.56</b>	<b>9,701.53</b>	<b>1.73</b>	<b>142.10</b>	<b>11,228.38</b>	<b>80.08</b>	<b>20.27</b>	<b>21,712.65</b>
Total Comprehensive Income for the Year	-	-	-	-	5,166.58	-	-	5,166.58
Other Comprehensive Income for the Year	-	-	-	-	-	-	(102.89)	(102.89)
<b>Balance as at March 31, 2023</b>	<b>538.56</b>	<b>9,701.53</b>	<b>1.73</b>	<b>142.10</b>	<b>16,394.96</b>	<b>80.08</b>	<b>(82.62)</b>	<b>26,776.34</b>

\* Forfeited Shares (Transferred from Share Capital)

\*\* On Redemption of Preference Shares.

As per our report of even date attached  
**For ASA & Associates LLP**  
 Chartered Accountants  
 Firm Regn No. 009571N/N500006

**G.N.RAMASWAMI**

Partner  
 Membership No. 202363

For and on behalf of the Board  
**BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

**P.M. MURTY**

Non- Executive Independent Chairman  
 DIN:00011179

**RANGARAJAN SRIRAM**

Managing Director  
 DIN:09550640

**A.BALASUBRAMANIAN**

Independent Director  
 DIN:00490921

**B.ANANDA SHALINI**

Chief Financial Officer

**VIRAL SARVAIYA**

Company Secretary & Compliance Officer  
 ICSI Membership No. A33764

Place: Chennai  
 Date: 12.05.2023

# Statement of Cash Flows

for the year ended march 31, 2023

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Cash Flows from Operating Activities</b>		
<b>Profit Before Tax</b>	<b>8,045.33</b>	<b>2,476.32</b>
<b>Adjustments:</b>		
Interest Income	(289.75)	(61.70)
(Gain) / Loss on Sale of Fixed Assets (Net)	(9.51)	(10.09)
Interest Expense	650.59	1,113.44
Provision for Bad & Doubtful Debts Created / (Reversal) (Net)	(134.20)	9.23
Provision for Warranty	(455.89)	110.55
Provision for Employee Benefits	116.42	(79.88)
Depreciation and Amortization	1,615.26	1,546.49
Provision for Doubtful Advances	57.69	44.92
Other Non Cash Items	99.21	66.25
<b>Operating Cash Flow before Working Capital Changes</b>	<b>9,695.15</b>	<b>5,215.53</b>
<b>Changes in</b>		
Decrease/(Increase) In Trade Receivables	(2,958.80)	(1,844.57)
Decrease/(Increase) In Inventory	8,459.71	(3,181.03)
Decrease/(Increase) In Other Current Financial Asset(s)	585.99	(529.41)
Decrease/(Increase) In Other Current Asset(s)	573.48	(385.51)
Decrease/(Increase) In Other Non-Current Financial Assets	87.07	346.82
Decrease/(Increase) In Other Non-Current Asset	(13.94)	7.20
(Decrease)/Increase In Trade Payables Current	(1,303.87)	(2,291.17)
(Decrease)/Increase In Other Current Liabilities	246.79	104.51
(Decrease)/Increase In Other Current Financial Liabilities	(1,337.47)	1,286.90
<b>Cash Generated from / (used in) Operations</b>	<b>14,034.11</b>	<b>(1,270.73)</b>
Income Taxes paid (net)	(1,875.30)	(851.95)
<b>Net Cash Generated from / (used in) Operating Activities</b>	<b>12,158.81</b>	<b>(2,122.68)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets / Capital Work-in-progress including Capital advances	(1,036.39)	(1,825.69)
Proceeds from Sale of Fixed Assets	369.77	17.78
Investment in Fixed Deposit (Net)	(2,500.00)	-
Interest Received	228.88	13.26
<b>Net Cash Generated from / (used in) Investing Activities</b>	<b>(2,937.74)</b>	<b>(1,794.65)</b>
<b>Cash Flows from Financing Activities</b>		



# Statement of Cash Flows

for the year ended march 31, 2023

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Dividend Paid	(0.02)	(522.69)
Proceeds from Long Term Borrowings	-	1,000.00
Repayment of Long Term Borrowings	(935.88)	(2,857.41)
Net Increase / (Decrease) in Short Term Borrowings	(4,290.59)	4,290.59
Repayment of lease Liability	(179.37)	(39.76)
Interest on lease liability	(43.99)	(16.92)
Interest Paid	(623.17)	(1,115.99)
<b>Net Cash Generated from / (used in) Financing Activities</b>	<b>(6,073.02)</b>	<b>737.82</b>
Effect of Exchange Rate on Translation of Foreign Currency Cash and Cash Equivalents (Loss) / Gain	0.31	0.17
<b>Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>3,148.05</b>	<b>(3,179.51)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>120.48</b>	<b>3,299.82</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>3,268.84</b>	<b>120.48</b>
<b>Components of Cash and Cash Equivalents (Refer Note 3.8)</b>		
Cash on Hand	8.42	39.63
Balances with Banks	3,260.42	80.85
<b>Total Cash and Cash Equivalents</b>	<b>3,268.84</b>	<b>120.48</b>

As per our report of even date attached  
**For ASA & Associates LLP**  
 Chartered Accountants  
 Firm Regn No. 009571N/N500006

**G.N.RAMASWAMI**  
 Partner  
 Membership No. 202363

Place: Chennai  
 Date: 12.05.2023

For and on behalf of the Board  
**BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

**P.M. MURTY**  
 Non- Executive Independent Chairman  
 DIN:00011179

**A.BALASUBRAMANIAN**  
 Independent Director  
 DIN:00490921

**VIRAL SARVAIYA**  
 Company Secretary & Compliance Officer  
 ICSI Membership No. A33764

**RANGARAJAN SRIRAM**  
 Managing Director  
 DIN:09550640

**B.ANANDA SHALINI**  
 Chief Financial Officer

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 1. Corporate Information:

'Gandhimathi Appliances Limited', was originally incorporated as Private Limited Company on 24th February 1986 and was converted into a Public Limited Company on 25th April 1990. The name of the Company was changed to 'Butterfly Gandhimathi Appliances Limited' (BGMAL), with effect from 25th October 2011. BGMAL is listed with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). BGMAL is involved in manufacturing and Trading of a wide range of domestic kitchen and electrical appliances under the brand 'BUTTERFLY'. BGMAL is domiciled in India and it has its Registered Office at Chennai, India. It is a subsidiary of Crompton Greaves Consumer Electricals Limited ("Crompton") w.e.f March 30, 2022.

The Board of Directors at their meeting held on 25th March, 2023 has considered and approved the Scheme of Amalgamation of the Company ("Transferor Company") with Crompton Greaves Consumer Electricals Limited ("Transferee Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder ("Scheme").

The Scheme is subject to the approval of shareholders of both the Companies, Hon'ble National Company Law Tribunal, Mumbai & Chennai Bench, the Securities and Exchange Board of India ("SEBI"), requisite approvals of BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and statutory / regulatory authorities. The Company has filed the Scheme of arrangement with BSE Limited and NSE Limited on April 7, 2023. The Company is in the process of obtaining other approvals in relation to the Scheme.

## 2. Summary of Significant Accounting Policies

### 2.1 Basis of Preparation of Financial Statements

#### 2.1.1 Statement of Compliance

The financial statements comprising Balance Sheet, Statement of Profit and Loss, Cash flow Statement and Statement of changes in Equity, together with notes as at and for the year ended March 31, 2023 have been prepared in accordance with Ind AS's notified under Section 133 of the Companies Act, 2013 ('the Act'), Companies (Indian Accounting Standards) Rules, 2015, other relevant provision of the Act and amendments there to.

#### 2.1.2 Historical Cost convention

The Financial Statements have been prepared under historical cost convention on accrual basis except for

certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

#### 2.1.3 Current / Non-Current classification

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### 2.1.4 Functional and Presentation currency

Items included in the Financial Statements of the Company are measured and presented using the currency of the primary economic environment in which the Company operates ("Functional Currency"). Indian Rupee is the Functional and Presentation Currency of the Company.

### 2.2 Revenue recognition

#### 2.2.1 Revenue from Sale of Goods / Services

Sales are stated at net of returns and taxes on sales. Revenue from sale of goods / services are recognised on satisfaction of performance obligations and at transaction price as per the terms of the contract with customers.

#### 2.2.2 Interest Income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

### 2.3 Property Plant and Equipment

#### 2.3.1 Tangible Assets

All property plant and equipment are stated at historical cost of acquisition less accumulated



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

depreciation and impairment, if any. Historical cost includes purchase price, taxes and duties (net of tax credits), labour cost and directly attributable overhead expenditure incurred upto the date the asset is ready for its intended use.

The Cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working conditions for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

## 2.3.2 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses, if any.

Identifiable intangible assets are recognized when the Company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the Company for more than one economic period; and the cost of the asset can be measured reliably. Amortisation is provided on Straight Line Method (SLM), which reflect the management's estimate of the useful life of the intangible assets.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets. Based on such review, the useful life may change. The impact of such changes, if any, is accounted for as a change in accounting estimate.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset

Intangible Asset	Useful Life
Software	6 - 10 years
Usage Right of Trade Mark/Trade Mark and Licence	20 - 25 years.

## 2.3.3 Impairment of assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

## 2.4 Depreciation

The depreciable amount of an item of Property, Plant and Equipment (PPE) is allocated on a straight-line basis over its useful life as prescribed in the manner specified in Schedule II of the Act.

Description	Useful Life in Years
Buildings	5 to 30
Plant and Machinery	15
Dies, Tools and Equipment	8
Electrical Equipment	10
Office Equipment	5
Furniture and Fittings	10
Vehicles	8 to 10
Computer and Information System	3 to 6

If part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately.

Depreciation is charged on pro-rata basis from the date of addition (i.e., when the assets are ready for their intended use) / till the date of disposal. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on such disposal of assets are recognised in statement of profit and loss.





# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

Where the residual values are not more than 5% of original cost of the asset no depreciation is provided.

## 2.5 Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

To the extent the Company borrows generally and uses them for the purpose of obtaining a qualifying asset, amount of borrowing cost eligible for capitalization is computed by applying a capitalization rate to the expenditure incurred. The capitalization rate is determined based on the weighted average of borrowing costs, other than borrowings made specifically towards purchase of a qualifying asset.

## 2.6 Foreign Currency Translation

### 2.6.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e in Indian rupee (INR - ₹.)

### 2.6.2 Transaction and Balances

Foreign currency transactions are recorded in functional currency using the exchange rates prevailing on the date of transaction. As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing at the date of the transaction. All monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of foreign currency transactions are recognised in the Statement of Profit and Loss.

## 2.7 Inventories

**2.7.1** Inventories are stated at the lower of cost (computed on moving weighted average basis) and net realizable value

**2.7.2** Cost includes the cost of purchase including duties and taxes (net of tax credit), freight inward and other expenditure directly attributable to purchase.

Cost of work in progress and finished goods comprises of all direct costs and applicable manufacturing overheads incurred to bringing the inventories to the present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## 2.8 Employee Benefits

### 2.8.1 Defined Benefit Plan:

Provision for gratuity, is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets excluding interest (if applicable), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

Past service cost is recognized in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

The Company presents the first two components of defined benefit costs in statement profit and loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs. The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

### 2.8.2 Defined Contribution Plan:

Company's contributions during the year towards provident fund, pension scheme and employees' state insurance ('ESI') scheme are recognised in the statement of profit and loss.

**2.8.3** Short term employee benefits obligations are measured on an undiscounted basis and are expensed as the related services provided. A liability is recognized for the amount expected to be paid

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

under short-term employee benefits if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 2.9 Taxes on Income

Income tax expense represents the sum of the current tax and deferred tax.

### 2.9.1 Current Tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to settle the liability on a net basis or simultaneously.

### 2.9.2 Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### 2.9.3 Current and Deferred Tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Indian Income Tax Act, 1961. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on its recoverability in the future. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

## 2.10 Provisions and Contingent Liabilities

### 2.10.1 Provisions

A provision is recorded when the Company has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. A provision is reversed when it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provision for warranty claims is recognised at the time of sale based on the historical experience. Initial estimate of warranty expense is reviewed annually.

### 2.10.2 Contingent Liabilities

Contingent liabilities are disclosed 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. Show cause notices are not

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

considered as Contingent Liabilities unless converted into demand.

## 2.11 Leases

The Company's leases primarily consist of leases for certain plant and machinery, Vehicles and Go-down. The Company, being a lessee, assesses whether a contract contains a lease, at inception of a contract. Company recognises Right of Use Asset and lease liability only when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets, for which the entity is reasonably certain to exercise the right to purchase are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

For the short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

## 2.12 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 2.13 Financial Assets

### 2.13.1 Classification

The Company classifies its financial assets in the following measurement categories:

- (i) Those measured subsequently at fair value through profit or loss (in case of investments in mutual funds)
- (ii) Those measured at amortised cost

### 2.13.2 Measurement

#### Initial Recognition Measurement

Financial assets are recognised when the company becomes party to the contract. The Company measures a financial asset at its fair value plus cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised in the Statement of Profit and Loss.

### 2.13.3 Subsequent Measurement

#### 2.13.3.1 Investments

Investments are subsequently measured at Fair value through Profit and loss. Income or loss from these financial assets is included in other income or other expenses.

#### 2.13.3.2 Other Financial Assets

After Initial Measurement, financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR method). Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss

### 2.13.4 Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 7.2 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires Expected Credit Losses (ECL) to be recognised from initial recognition of the receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition

### 2.13.5 De recognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired.

## 2.14 Financial Liabilities

### 2.14.1 Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

### 2.14.2 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### 2.14.3 Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest-bearing loans and borrowings.

### 2.14.4 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### 2.14.5 Offsetting of Financial Instruments

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, to realise the assets and settle the liabilities simultaneously.

## 2.15 Derivative Financial Instruments

The Company enters into forward contract to manage its exposure to foreign currency exchange risks. These derivative contracts that do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured through at profit or loss. Gains or loss arising from changes in the fair value of the derivative contracts are recognized in statement of profit and loss.

## 2.16 Dividend to Shareholders

Final dividend proposed and distributed to equity shareholders is recognized only in the financial year in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognized when approved by the Board of Directors at the Board Meeting. Dividend distributed is recognized in the Statement of Changes in Equity.

## 2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 2.18 Segment Information

The Company has identified "Domestic Appliances" as a only reportable segment based on the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

## 2.19 Prior Period

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However where retrospective restatement is not practicable for a particular period then the circumstances that led to the existence of that condition and the description of how and from where the error is corrected are disclosed in notes forming part of Financial statements.

## 2.20 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified as operating, investing and financing activities.

## 2.21 Critical Estimates & Judgements

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date and reported revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

## 2.22 Rounding of Amounts

All amounts disclosed in the financial statements and notes are presented in INR lakhs and has been rounded off to two decimals as per the requirements of Division II of schedule III to the Act, unless otherwise stated.

## 2.23 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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 3.1 - Property, Plant and Equipment

₹ in lakhs

Description	Land - Free Hold	Buildings	Plant and Equipment	Tools and Dies	Electrical Installations and Equipment	Office Equipment	Vehicles	Furniture and Fixtures	Total
<b>Gross Book Value</b>									
<b>As at April 01, 2021</b>	<b>4,020.02</b>	<b>3,251.02</b>	<b>4,640.94</b>	<b>2,895.86</b>	<b>511.48</b>	<b>361.36</b>	<b>719.03</b>	<b>863.88</b>	<b>17,263.59</b>
Additions during the year	-	38.41	768.37	389.24	228.37	103.48	40.60	25.29	1,593.76
Deletions during the year	-	(19.03)	-	-	(1.24)	(0.32)	(81.11)	-	(101.70)
<b>As at March 31, 2022</b>	<b>4,020.02</b>	<b>3,270.40</b>	<b>5,409.31</b>	<b>3,285.10</b>	<b>738.61</b>	<b>464.52</b>	<b>678.52</b>	<b>889.17</b>	<b>18,755.65</b>
Additions during the year	55.01	206.87	850.61	544.44	85.40	81.60	-	14.37	1,838.30
Deletions during the year	-	(1.62)	(107.95)	(480.19)	(10.05)	(41.64)	(555.11)	(7.15)	(1,203.71)
<b>As at March 31, 2023</b>	<b>4,075.03</b>	<b>3,475.65</b>	<b>6,151.97</b>	<b>3,349.35</b>	<b>813.96</b>	<b>504.48</b>	<b>123.41</b>	<b>896.39</b>	<b>19,390.24</b>
<b>Depreciation</b>									
<b>As at April 01, 2021</b>	-	<b>610.71</b>	<b>1,392.73</b>	<b>1,050.49</b>	<b>225.52</b>	<b>206.88</b>	<b>216.40</b>	<b>491.97</b>	<b>4,194.70</b>
Charge for the year	-	125.08	455.66	396.98	67.38	49.65	88.63	91.35	1,274.73
Deletions during the year	-	(11.59)	-	-	(1.05)	(0.30)	(73.63)	-	(86.57)
<b>As at March 31, 2022</b>	-	<b>724.20</b>	<b>1,848.39</b>	<b>1,447.47</b>	<b>291.85</b>	<b>256.23</b>	<b>231.40</b>	<b>583.32</b>	<b>5,382.86</b>
Charge for the year	-	130.12	544.56	427.14	69.81	69.65	41.15	62.26	1,344.69
Deletions during the year	-	(1.62)	(107.95)	(480.19)	(5.23)	(36.61)	(204.71)	(7.15)	(843.46)
<b>As at March 31, 2023</b>	-	<b>852.70</b>	<b>2,285.00</b>	<b>1,394.42</b>	<b>356.43</b>	<b>289.27</b>	<b>67.84</b>	<b>638.43</b>	<b>5,884.09</b>
<b>Net Book Value</b>									
<b>As at March 31, 2023</b>	<b>4,075.03</b>	<b>2,622.95</b>	<b>3,866.97</b>	<b>1,954.93</b>	<b>457.53</b>	<b>215.21</b>	<b>55.57</b>	<b>257.96</b>	<b>13,506.15</b>
<b>As at March 31, 2022</b>	<b>4,020.02</b>	<b>2,546.20</b>	<b>3,560.92</b>	<b>1,837.63</b>	<b>446.76</b>	<b>208.29</b>	<b>447.12</b>	<b>305.85</b>	<b>13,372.79</b>

3.1.1. Plant and Equipment includes Right Of Use Assets ( ROU ).

3.1.2. Refer Note No : 3.18.1 for details of assets given as security for loan availed.

3.1.3. Following are the changes in the carrying value of ROU for the year ended March 31, 2023:

### Plant and Equipment

₹ in lakhs

Description	FY 2022-23	FY 2021-22
<b>As at 1st April</b>	<b>175.58</b>	<b>188.08</b>
Add: Additions during the year	567.28	-
Less: Amortization during the year	32.33	12.50
<b>As at 31st March</b>	<b>710.53</b>	<b>175.58</b>

### 3.1.4 - Capital Work-in- Progress

₹ in lakhs

Description	FY 2022-23	FY 2021-22
<b>As at 1st April</b>	<b>550.42</b>	<b>206.16</b>
Add: Additions during the year	768.46	1,526.04
Less: Capitalized during the year	1,027.94	1,181.78
<b>As at 31st March</b>	<b>290.94</b>	<b>550.42</b>

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 3.1.5 Capital Work in Progress(CWIP) ageing schedule

As at March 31, 2023

₹ in lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	200.94	90.00	-	-	290.94
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

₹ in lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	550.42	-	-	-	550.42
Projects temporarily suspended	-	-	-	-	-

## 3.2 - Other Intangible Assets

₹ in lakhs

Description	Usage Right of Trade Mark	Trade Mark and License	Computer Software	Total
<b>As at April 01, 2021</b>	<b>176.00</b>	<b>4,297.50</b>	<b>423.25</b>	<b>4,896.75</b>
Additions during the year	-	-	21.84	21.84
<b>As at March 31, 2022</b>	<b>176.00</b>	<b>4,297.50</b>	<b>445.09</b>	<b>4,918.59</b>
Additions during the year	-	-	33.21	33.21
<b>As at March 31, 2023</b>	<b>176.00</b>	<b>4,297.50</b>	<b>478.30</b>	<b>4,951.80</b>
<b>Amortization</b>				
<b>As at April 01, 2021</b>	<b>80.00</b>	<b>1,193.75</b>	<b>349.87</b>	<b>1,623.62</b>
Amortization for the year	16.00	238.75	17.01	271.76
<b>As at March 31, 2022</b>	<b>96.00</b>	<b>1,432.50</b>	<b>366.88</b>	<b>1,895.38</b>
Amortization for the year	16.00	238.75	15.82	270.57
<b>As at March 31, 2023</b>	<b>112.00</b>	<b>1,671.25</b>	<b>382.70</b>	<b>2,165.95</b>
<b>Net Book Value</b>				
<b>As at March 31, 2023</b>	<b>64.00</b>	<b>2,626.25</b>	<b>95.60</b>	<b>2,785.85</b>
<b>As at March 31, 2022</b>	<b>80.00</b>	<b>2,865.00</b>	<b>78.21</b>	<b>3,023.21</b>

### 3.2.1 - Intangible Assets under development

₹ in lakhs

Description	FY 2022-23	FY 2021-22
<b>As at 1st April</b>	<b>69.89</b>	<b>70.10</b>
Add: Additions during the year	47.82	21.63
Less: Capitalized during the year	56.20	21.84
<b>As at 31st March</b>	<b>61.51</b>	<b>69.89</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 3.2.2 Intangible assets under development ageing schedule

**As at March 31, 2023**

₹ in lakhs

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	9.12	10.45	-	41.94	61.51
Projects temporarily suspended	-	-	-	-	-

**As at March 31, 2022**

₹ in lakhs

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	10.45	-	59.44	-	69.89
Projects temporarily suspended	-	-	-	-	-

## 3.3 - Investments - Non Current

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments in Mutual Funds ( Quoted )</b>		
Reliance - Nippon India large cap fund - Growth plan growth option 30,777.754 units (PY 30,777.754 units)	16.62	15.60
SBI - Equity hybrid fund regular growth 9233.593 units (PY 9233.593 units)	18.30	18.79
<b>Total</b>	<b>34.92</b>	<b>34.39</b>

### 3.3.1 Aggregate amount of Quoted Investments

- Cost	20.00	20.00
- Market Value	34.92	34.39

## 3.4 - Other Financial Assets - Non Current

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Long Term Security Deposit	254.19	216.00
Deposits with Authorities	28.25	32.79
Bank Balances held as Margin Money	-	120.72
<b>Total</b>	<b>282.44</b>	<b>369.51</b>

## 3.5 - Other Non Current Assets

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	211.57	257.46
Other Receivables	22.10	11.22
<b>Total</b>	<b>233.67</b>	<b>268.68</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 3.6 - Inventories

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials and Components	4,458.50	7,999.48
Work in Progress	1,148.95	1,688.07
Finished Goods	3,475.69	7,215.52
Traded Goods	2,926.16	3,449.72
Stores	500.13	616.35
<b>Total</b>	<b>12,509.43</b>	<b>20,969.14</b>

Refer Note No: 3.18.1 for details of assets given as security for loan availed

## 3.7 - Trade Receivables

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables</b>		
Considered Good - Secured	174.10	65.88
Considered Good - Unsecured	12,239.32	9,511.19
Have Significant increase in Credit Risk	459.06	486.48
Credit impaired	648.64	497.71
	<b>13,521.12</b>	<b>10,561.26</b>
<b>Less:</b>		
Impairment for Trade Receivable under expected credit loss model	1,150.32	1,284.52
<b>Total</b>	<b>12,370.80</b>	<b>9,276.74</b>

Refer Note No: 3.18.1 for details of assets given as security for loan availed

### 3.7.1 Trade Receivables Ageing Schedule

For the year ended March 31, 2023

₹ in lakhs

Particulars	Not Due	Less than 6 months	6 months-1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	7,427.66	4,504.73	55.25	412.57	-	-	12,400.21
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	48.54	-	48.54
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	47.11	47.11
(iv) Disputed Trade Receivables-considered good	-	-	-	13.21	-	-	13.21
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	410.52	-	410.52
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	601.53	601.53
<b>Total</b>	<b>7,427.66</b>	<b>4,504.73</b>	<b>55.25</b>	<b>425.78</b>	<b>459.06</b>	<b>648.64</b>	<b>13,521.12</b>
<b>Less:</b>							
Impairment for Trade Receivable under expected credit loss model	-	11.91	0.55	54.46	434.76	648.64	1,150.32
<b>Total</b>	<b>7,427.66</b>	<b>4,492.82</b>	<b>54.70</b>	<b>371.32</b>	<b>24.30</b>	<b>-</b>	<b>12,370.80</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 3.7.1 Trade Receivables Ageing Schedule (Contd..)

For the year ended March 31, 2022

₹ in lakhs

Particulars	Not Due	Less than 6 months	6 months-1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	4,643.55	3,758.70	630.03	463.86	-	-	9,496.14
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	477.62	-	477.62
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	334.84	334.84
(iv) Disputed Trade Receivables-considered good	-	-	0.42	80.50	-	-	80.92
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	8.87	-	8.87
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	162.87	162.87
<b>Total</b>	<b>4,643.55</b>	<b>3,758.70</b>	<b>630.45</b>	<b>544.36</b>	<b>486.49</b>	<b>497.71</b>	<b>10,561.26</b>
<b>Less:</b>							
Impairment for Trade Receivable under expected credit loss model	-	17.67	19.06	352.22	397.86	497.71	1,284.52
<b>Total</b>	<b>4,643.55</b>	<b>3,741.03</b>	<b>611.39</b>	<b>192.14</b>	<b>88.63</b>	<b>-</b>	<b>9,276.74</b>

## 3.8 - Cash and Cash Equivalents

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
i) Balances with Banks	3,260.42	80.85
ii) Cash on Hand (Refer Note 3.8.1 below)	8.42	39.63
<b>Total</b>	<b>3,268.84</b>	<b>120.48</b>

 3.8.1 Includes INR equivalent of Foreign Currency 4.88 3.97

## 3.9 - Bank Balances other than in 3.8 (i) above

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposit (Original Maturity more than 3 Months less than 12 Months)	2,500.00	-
Bank Balances held as Margin Money	354.16	940.03
Unpaid Dividend account	36.35	36.47
<b>Total</b>	<b>2,890.51</b>	<b>976.50</b>

## 3.10 - Other Current Financial Assets

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Accrued on Fixed Deposit	88.40	27.53
<b>Total</b>	<b>88.40</b>	<b>27.53</b>

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 3.11 - Current Tax Asset (Net)

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Taxes and Refund Due	-	875.02
Less: Provision for Income Tax	-	694.14
<b>Total</b>	<b>-</b>	<b>180.88</b>

## 3.12 - Other Current Assets

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured Considered Good</b>		
Balance with Government Authorities	505.97	1,273.11
Prepaid Expenses	326.79	220.32
Advances to Suppliers	516.12	540.91
Rent Advance	411.49	323.73
Loans and Advances to Employees	157.53	187.94
Others	29.16	24.62
<b>Total</b>	<b>1,947.06</b>	<b>2,570.63</b>

## 3.13 - Equity Share Capital

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised Share Capital</b>		
4,00,00,000 Equity Shares of ₹.10/- each	4,000.00	4,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued, Subscribed And Paid Up</b>		
1,78,79,551 Equity Shares of ₹.10/- each, Fully Paid Up	1,787.96	1,787.96
<b>Total</b>	<b>1,787.96</b>	<b>1,787.96</b>

### 3.13.1 Reconciliation of the equity share outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning and end of the year	1,78,79,551	1,787.96	1,78,79,551	1,787.96

### 3.13.2 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently.



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

### 3.13.3 Shares held by holding Company and/or their subsidiaries/ associates

Name of the Company	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
Crompton Greaves Consumer Electricals Limited (Holding Company w.e.f 30.03.2022)	1,34,09,663	1,340.97	98,33,754	983.38

### 3.13.4 Details of Shareholders Holding more than 5% shares in the Company

S. No	Particulars	As at March 31, 2023		As at March 31, 2022	
		Nos.	% of Holding	Nos.	% of Holding
1	Crompton Greaves Consumer Electricals Limited	1,34,09,663	75.00%	98,33,754	55.00%
2	DSP Small Cap Fund	-	-	10,77,618	6.03%

3.13.5 There are no bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

### 3.13.6 Disclosure of Shareholding of Promoters

S. No	Name of the Company	As at March 31, 2023			As at March 31, 2022		
		No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
1	V.M.Lakshminarayanan*	-	-	*	6,754	0.04%	-99.03%
2	V.M.Balasubramaniam*	-	-	*	91,753	0.51%	-88.29%
3	V.M.Seshadri*	-	-	*	2,78,207	1.56%	-71.56%
4	V.M.Gangadharam*	-	-	*	83,453	0.47%	-89.24%
5	V.M.Kumaresan*	-	-	*	90,646	0.51%	-88.41%
6	V.M.L.Shenbagalakshmi*	-	-	*	2,17,750	1.22%	-
7	V.M.B.Unnamalai*	-	-	*	1,86,454	1.04%	-14.37%
8	V.M.G.Sivakami*	-	-	*	1,94,754	1.09%	-10.56%
9	V.M.K.Mangalam*	-	-	*	1,87,561	1.05%	-14.33%
10	V.M.L.Karthikeyan*	-	-	*	53,703	0.30%	-35.84%
11	V.M.S.Kumaraguru*	-	-	*	1,344	0.01%	-59.81%
12	Crompton Greaves Consumer Electricals Limited	1,34,09,663	75.00%	36.36%	98,33,754	55.00%	100.00%

\* Promoters upto January 03, 2023 (Refer note 17)

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 3.14 Other Equity

₹ in lakhs

For the year ended March 31, 2023

Particulars	Reserves and Surplus					Revaluation Surplus	Other Comprehensive Income (OCI)	Total
	General Reserve	Security Premium	Capital Profit		Retained Earnings		Remeasurement of Net Defined benefit Liability/ Asset	
			Capital Reserve *	Capital Redemption Reserve **				
<b>Balance as at April 01, 2022</b>	<b>538.56</b>	<b>9,701.53</b>	<b>1.73</b>	<b>142.10</b>	<b>11,228.38</b>	<b>80.08</b>	<b>20.27</b>	<b>21,712.65</b>
Total Comprehensive Income for the Year	-	-	-	-	5,166.58	-	-	5,166.58
Other Comprehensive Income for the Year	-	-	-	-	-	-	(102.89)	(102.89)
<b>Balance as at March 31, 2023</b>	<b>538.56</b>	<b>9,701.53</b>	<b>1.73</b>	<b>142.10</b>	<b>16,394.96</b>	<b>80.08</b>	<b>(82.62)</b>	<b>26,776.34</b>

₹ in lakhs

For the year ended March 31, 2022

Particulars	Reserves and Surplus					Revaluation Surplus	Other Comprehensive Income (OCI)	Total
	General Reserve	Security Premium	Capital Profit		Retained Earnings		Remeasurement of Net Defined benefit Liability/ Asset	
			Capital Reserve *	Capital Redemption Reserve **				
<b>Balance as at April 01, 2021</b>	<b>538.56</b>	<b>9,701.53</b>	<b>1.73</b>	<b>142.10</b>	<b>10,152.09</b>	<b>80.08</b>	<b>(4.57)</b>	<b>20,611.52</b>
Total Comprehensive Income for the Year	-	-	-	-	1,612.68	-	-	1,612.68
Other Comprehensive Income for the Year	-	-	-	-	-	-	24.84	24.84
Dividends Paid (₹3.00 Per Share)	-	-	-	-	(536.39)	-	-	(536.39)
<b>Balance as at March 31, 2022</b>	<b>538.56</b>	<b>9,701.53</b>	<b>1.73</b>	<b>142.10</b>	<b>11,228.38</b>	<b>80.08</b>	<b>20.27</b>	<b>21,712.65</b>

\* Forfeited Shares (Transferred from Share Capital)

\*\* On Redemption of Preference Shares.

## Non Current Liabilities

### 3.15 - Borrowings - Non Current

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Term Loan</b>		
<b>Secured</b>		
- Banks	-	933.70
- Others	-	2.18
	-	<b>935.88</b>
<b>Less: Current Maturities of Long term Debts</b>	-	479.69
<b>Total</b>	-	<b>456.19</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 3.16 - Lease Liability - Non Current

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	493.38	105.48
Less: Current Maturities of Lease Liability	119.90	45.37
<b>Total</b>	<b>373.48</b>	<b>60.11</b>

## 3.17 - Deferred Tax Assets / (Liabilities)

### 3.17.1 Recognised Deferred Tax Assets and Liabilities

Deferred Tax Assets and Liabilities are attributable to the following:

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Liability</b>		
Property, Plant and Equipment	1,702.09	1,762.85
Right of Use Assets	248.29	61.35
<b>Sub Total</b>	<b>1,950.38</b>	<b>1,824.20</b>
<b>Deferred Tax Assets</b>		
Provision for Bad and Doubtful Debts	303.82	350.72
Provision for Advances	58.44	33.15
Financial Guarantee	11.17	9.95
MAT Credit Entitlement	-	798.34
Remeasurements of defined benefit plan actuarial gains/ (losses) - OCI	45.49	(9.78)
Employee Benefits	228.41	114.80
Lease Liability ( ROU Assets)	172.41	36.86
<b>Sub Total</b>	<b>819.74</b>	<b>1,334.04</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(1,130.64)</b>	<b>(490.16)</b>

### Movement in Deferred Tax balances during the year ended March 31, 2023

₹ in lakhs

Particulars	Balance As at April 01, 2022	Recognised in Profit & Loss	Recognised in OCI	Balance As at March 31, 2023
Property, Plant and Equipment	(1,762.85)	60.76	-	(1,702.09)
Right of Use Assets	(61.35)	(186.94)	-	(248.29)
Provision for Advances	33.15	25.29	-	58.44
Provision for Bad and Doubtful Debts	350.72	(46.90)	-	303.82
Financial Guarantee	9.95	1.22	-	11.17
MAT Credit Entitlement	798.34	(798.34)	-	-
Remeasurement of Defined Benefit Plan	(9.78)	-	55.27	45.49
Employee Benefits	114.80	113.61	-	228.41
Lease Liability ( ROU Assets)	36.86	135.55	-	172.41
<b>Total</b>	<b>(490.16)</b>	<b>(695.75)</b>	<b>55.27</b>	<b>(1,130.64)</b>

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## Movement in Deferred Tax balances during the year ended March 31, 2022

₹ in lakhs

Particulars	Balance As at April 01, 2021	Recognised in Profit & Loss	Recognised in OCI	Balance As at March 31, 2022
Property, Plant and Equipment	(1,810.72)	47.87	-	(1,762.85)
Right of Use Assets	(65.72)	4.37	-	(61.35)
Provision for Advances	17.46	15.69	-	33.15
Provision for Bad and Doubtful Debts	214.84	135.88	-	350.72
Financial Guarantee	-	9.95	-	9.95
MAT Credit Entitlement	1,354.67	(556.33)	-	798.34
Remeasurement of Defined Benefit Plan	3.57	-	(13.35)	(9.78)
Employee Benefits	109.44	5.36	-	114.80
Lease Liability ( ROU Assets)	50.75	(13.89)	-	36.86
<b>Total</b>	<b>(125.71)</b>	<b>(351.10)</b>	<b>(13.35)</b>	<b>(490.16)</b>

Unrecognised Deferred Tax Assets - Nil (P.Y Nil)

### 3.17.2 Tax Recognised in Other Comprehensive Income

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Defined benefit plan Actuarial Gains (Losses)	55.27	(13.35)
<b>Total</b>	<b>55.27</b>	<b>(13.35)</b>

### 3.17.3 Reconciliation of Effective Tax Rates

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit Before Tax	8,045.33	2,476.32
Enacted tax Rate (under Normal Provisions)	34.94%	34.94%
<b>Computed Expected Tax Expenses - Normal Provision</b>	<b>2,811.36</b>	<b>865.33</b>
Non-deductible expenses	214.10	288.96
OCI Income / (Expenses)	(55.27)	13.35
MAT Credit Entitlement	(787.20)	(607.05)
Current Tax	2,183.00	560.58
For Earlier Years	-	(48.05)
Deferred Tax	640.48	364.46
<b>Tax Expenses for the year</b>	<b>2,823.48</b>	<b>876.99</b>

As the Company is liable to pay tax under normal provisions of the Income Tax Act 1961, the effective tax rate reconciliation has been presented as per the rate applicable for Current Tax.

## Current Liabilities

### 3.18 - Borrowings - Current

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
- Secured Demand Loans from Banks	-	4,290.59
- Current Maturities of Long Term Debt	-	479.69
<b>Total</b>	<b>-</b>	<b>4,770.28</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

3.18.1 Secured by hypothecation by way of a first charge on Inventories, book debts, present and future and collateral paripassu charge of Land and Buildings. Other fixed asset along with Corporate Guarantee from Crompton Greaves Consumer Electricals Limited.

## 3.19 - Lease Liability - Current

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current Maturities of Lease Liability	119.90	45.37
<b>Total</b>	<b>119.90</b>	<b>45.37</b>

## 3.20 - Trade Payables

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises; and	2,756.93	1,018.80
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	9,744.03	12,786.69
<b>Total</b>	<b>12,500.96</b>	<b>13,805.49</b>

3.20.1 Details as required under MSME Act, 2006 - Refer note 9

3.20.2 Details with respect to Related Parties details are disclosed in note 17

### 3.20.3 Trade Payables Ageing Schedule

₹ in lakhs

For the year ended March 31, 2023

Particulars	Outstanding for following periods from due date of Payment					Total
	No Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	2,744.49	12.44	-	-	-	2,756.93
(ii) Others	7,324.14	2,052.11	362.83	4.95	-	9,744.03
(iii) Disputed Dues- MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>10,068.63</b>	<b>2,064.55</b>	<b>362.83</b>	<b>4.95</b>	<b>-</b>	<b>12,500.96</b>

₹ in lakhs

For the year ended March 31, 2022

Particulars	Outstanding for following periods from due date of Payment					Total
	No Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	1,018.80	-	-	-	-	1,018.80
(ii) Others	11,228.25	1,527.61	10.28	11.52	9.03	12,786.69
(iii) Disputed Dues- MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>12,247.05</b>	<b>1,527.61</b>	<b>10.28</b>	<b>11.52</b>	<b>9.03</b>	<b>13,805.49</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 3.21 - Other Financial Liabilities

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for Capital Goods and Services	81.00	126.91
Unclaimed Dividends	36.35	36.47
Payable to Employees	768.18	984.03
Security Deposits from Customers	296.18	265.76
Financial Guarantee Liability	31.95	28.47
Derivative Liabilities	134.97	259.94
Provision for Expenses	4,376.07	5,320.04
<b>Total</b>	<b>5,724.70</b>	<b>7,021.62</b>

## 3.22 - Other Current Liabilities

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	558.71	234.92
Advance from Customers	446.72	523.70
Others	49.14	45.88
<b>Total</b>	<b>1,054.57</b>	<b>804.50</b>

## 3.23 - Short Term Provision

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits	288.48	13.90
Provision for Warranties	386.67	842.56
<b>Total</b>	<b>675.15</b>	<b>856.46</b>

## 3.24 - Current Tax Liabilities (Net)

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax	2,316.66	-
<b>Less:</b> Advance Tax and Tax Deducted at Source	2,189.84	-
<b>Total</b>	<b>126.82</b>	<b>-</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 4.1 - Revenue From Operations

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of Products	1,04,191.05	95,155.25
Other Operating Revenue - Scrap Sales	1,464.19	830.61
<b>Total</b>	<b>1,05,655.24</b>	<b>95,985.86</b>

## 4.2 - Other Income

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Change in fair value of Financial Assets	0.52	5.98
Interest income from Financial Assets measured at Amortised cost	289.75	61.70
Profit on Sale of Asset	9.51	10.09
Exchange Fluctuation ( Net )	66.45	41.74
Other Income	160.48	74.71
Provision for Bad & Doubtful Debts written back	132.32	-
<b>Total</b>	<b>659.03</b>	<b>194.22</b>

## 4.3 - Cost of Materials Consumed

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Opening Stock</b>		
Raw Materials and Components	8,615.83	6,753.21
<b>Add: Cost of</b>		
Raw Materials and Components	37,198.57	48,643.18
Processing Charges	1,836.55	2,064.35
<b>Less: Closing Stock</b>		
Raw Materials and Components	4,958.63	8,615.83
<b>Total</b>	<b>42,692.32</b>	<b>48,844.91</b>

## 4.4 - Changes in Inventories of Finished Goods , Work-in-Progress and Stock in trade

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Opening Balance</b>		
Work in Progress	1,688.07	1,627.05
Finished Goods	7,215.52	5,923.67
Stock in Trade	3,449.72	3,472.43
<b>Less: Closing Balance</b>		
Work in Progress	1,148.95	1,688.07
Finished Goods	3,475.69	7,215.52
Stock in Trade	2,926.16	3,449.72
<b>Total</b>	<b>4,802.51</b>	<b>(1,330.16)</b>

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 4.5 - Employee Benefits Expense

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, Wages, Bonus etc. ( including payment to contractors)	8,829.01	8,362.93
Contribution to Provident and Other Funds	472.23	533.81
Staff Welfare Expenses	834.40	1,023.35
<b>Total</b>	<b>10,135.64</b>	<b>9,920.09</b>

## 4.6 - Finance Cost

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest cost on Financial Liabilities measured at Amortized cost	585.77	1,016.18
Interest Expense on Lease Liability	43.99	16.92
Other Borrowing Cost - Processing Fee	20.83	80.34
<b>Total</b>	<b>650.59</b>	<b>1,113.44</b>

## 4.7 - Depreciation and Amortisation

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation / Amortisation for the year		
- Tangible Assets	1,344.69	1,274.73
- Intangible Assets	270.57	271.76
<b>Total</b>	<b>1,615.26</b>	<b>1,546.49</b>

## 4.8 - Other Expenses

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Power and Fuel	944.79	947.29
Rent	497.78	502.30
Repairs and Maintenance		
- Buildings	0.98	14.21
- Machinery	438.82	466.19
- Others	540.34	522.11
Freight and Forwarding (Including Ware House Charges)	5,902.81	5,572.20
Insurance	115.86	93.83
Rates and Taxes	151.07	194.91
Travel and Conveyance	873.58	852.07
Communication	43.13	48.36
Payment made to Auditors ( Refer Note: 4.8.1 Below )	35.86	20.83
Professional and Consultancy Charges ( Refer Note: 4.8.2 Below )	2,046.01	340.44
Advertisement, Publicity and Sales Promotion Expenses	6,069.74	5,405.23
After Sales Service Expenses	881.30	713.35
Royalty	52.65	-
Bank Charges	72.04	260.81
Provision for Doubtful Debts	-	9.23
Miscellaneous Expenses	390.02	472.31
<b>Total</b>	<b>19,056.78</b>	<b>16,435.67</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## Note 4.8.1 Payment made to Auditors

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>a) As Auditor</b>		
i. Audit Fees for Statutory Audit	22.00	18.00
ii. Audit Fees for Tax Audit	7.50	-
iii. For Certification	3.65	0.45
iv. Out of Pocket Expenses	0.61	0.28
<b>b) As Cost Auditor</b>		
i. Audit Fees	1.75	1.75
ii. Out of Pocket Expenses	0.35	0.35
<b>Total</b>	<b>35.86</b>	<b>20.83</b>

**Note 4.8.2** Professional and Consultancy Charges includes Director sitting fee Rs. 53.10 lakhs (PY 43.80 Lakhs) & Directors Commission Rs.80.00 Lakhs (PY Nil)

## 4.9 Exceptional Items

₹ in lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Provision for Doubtful Debts	-	660.48
<b>Total</b>	<b>-</b>	<b>660.48</b>

**Note:** Exceptional item in previous year represents additional provision for expected credit loss on receivables based on recent deterioration in probability of realisation of certain receivables.

## 5. Other Financial Information

### 5.1 Contingent Liabilities:

#### 5.1.1 Demands raised on the Company by the respective authorities are as under:

₹ in lakhs

Nature of Statute	As at March 31, 2023	As at March 31, 2022
Central Excise / Customs (of which ₹ 3.31 lakhs (PY ₹ 3.31 lakhs) have been paid under protest) – Refer Note below	66.24	66.24
VAT / Sales Tax (of which ₹ 26.47 lakhs (PY ₹ 26.47 lakhs) have been paid under protest)	128.66	128.66
Goods and Services Tax (of which ₹ 0.68 lakhs (PY Nil) have been paid under protest)	15.27	-
Employee State Insurance and Labour matter (of which ₹ 22.36 lakhs (PY ₹ 22.72 lakhs) have been paid under protest)	48.22	49.80
<b>Total</b>	<b>258.39</b>	<b>244.70</b>

**Note:** Above contingent liabilities exclude the demands raised by the Central Excise Department on earlier assessment aggregating to ₹1,899.67 lakhs which have been allowed in favour of the Company by the CESTAT. The department has filed an appeal with the Honourable Supreme Court, which is pending disposal. Also with regards to Customs, the appeal filed by the Company against a demand of Rs. 48.14 lakhs has been allowed by the Commissioner (Appeals) against which the department has filed an appeal with the CESTAT, which is pending disposal.

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 5.2 Capital Commitments

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Commitments (net of advance)	344.50	618.48

## 6. Disclosures in respect of Ind AS 107 - Financial Instruments

### 6.1. Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(₹ in lakhs as at March 31, 2023)

Particulars	Amortized Cost	Financial Assets/ Liabilities at fair value through profit or loss	Financial Assets/ Liabilities at fair value through OCI	Total Fair Value
<b>Assets:</b>				
Non Current Investment	-	34.92	-	34.92
Other Non- Current Financial Assets	282.44	-	-	282.44
Current Trade Receivables	12,370.80	-	-	12,370.80
Cash & Cash Equivalents	3,268.84	-	-	3,268.84
Other Bank Balances	2,890.51	-	-	2,890.51
Other Financial Assets	88.40	-	-	88.40
<b>Total</b>	<b>18,900.99</b>	<b>34.92</b>		<b>18,935.91</b>
<b>Liabilities:</b>				
Long term Borrowings	-	-	-	-
Other Non-Current Financial Liabilities	373.48	-	-	373.48
Short Term Borrowings	-	-	-	-
Lease Liabilities	119.90	-	-	119.90
Trade Payables	12,500.96	-	-	12,500.96
Other Current Financial Liabilities	5,692.75	31.95	-	5,724.70
<b>Total</b>	<b>18,687.09</b>	<b>31.95</b>		<b>18,719.04</b>

(₹ in lakhs as at March 31, 2022)

Particulars	Amortized Cost	Financial Assets / Liabilities at fair value through profit or loss	Financial Assets / Liabilities at fair value through OCI	Total Fair Value
<b>Assets:</b>				
Non Current Investment	-	34.39	-	34.39
Other Non- Current Financial Assets	369.51	-	-	369.51
Current Trade Receivables	9,276.74	-	-	9,276.74
Cash & Cash Equivalents	120.48	-	-	120.48
Other Bank Balances	976.50	-	-	976.50
Other Financial Assets	27.53	-	-	27.53
<b>Total</b>	<b>10,770.76</b>	<b>34.39</b>		<b>10,805.15</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 6.1. Financial Instruments by Categories (Contd..)

(₹ in lakhs as at March 31, 2022)

Particulars	Amortized Cost	Financial Assets / Liabilities at fair value through profit or loss	Financial Assets / Liabilities at fair value through OCI	Total Fair Value
<b>Liabilities:</b>				
Long term Borrowings	456.19	-	-	456.19
Other Non- Current Financial Liabilities	60.11	-	-	60.11
Short Term Borrowings	4,770.28	-	-	4,770.28
Lease Liabilities	45.37			45.37
Trade Payables	13,805.49	-	-	13,805.49
Other Current Financial Liabilities	6,993.15	28.47	-	7,021.62
<b>Total</b>	<b>26,130.59</b>	<b>28.47</b>	<b>-</b>	<b>26,159.06</b>

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

## 6.2 Fair Value Hierarchy

- Level 1 - Quoted prices (unadjusted) in active markets for identical Assets or Liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

## 6.3 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

1. Use of quoted market prices for Listed instruments
2. Expected credit loss model valued by the independent valuer

## 6.4 The following table presents fair value hierarchy of Assets and Liabilities measured at fair value:

₹ in lakhs

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Asset</b>								
Investments in Quoted Mutual Funds	34.92	-	-	34.92	34.39	-	-	34.39
<b>Financial Liability</b>								
Financial Guarantee Liability*	-	-	31.95	31.95	-	-	28.47	28.47

\*Represents fair value of First Loss Default Guarantee (FLDG) - ₹2,400 Lakhs (PY: Rs 2,400 Lakhs)

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 7. Financial Risk Management

The Company is primarily exposed to fluctuation in Market risk, Credit risk and Liquidity risk. The Company has a risk management policy which addresses the risk associated with the financial asset and liabilities.

### 7.1 Market Risk

Market risk is the risk of fluctuation in future cash flow of financial instruments due to change in market prices arising on account of currency risk and Interest rate risk.

#### 7.1.1 Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, other comprehensive income and equity.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Currently the Company follows a policy of hedging 100% of its trade payables. On an overall basis, the Company has hedged 57.69% of its foreign exchange exposure thus minimising the currency risk.

Sensitivity analysis of foreign currency risk for as estimated fluctuation of +/- 5% to the outstanding foreign currency exposure is provided below.

FC in Laksh

Foreign Currency Exposure	Liabilities		Assets	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
USD	1.64	3.44	1.19	2.59

₹ in lakhs

USD sensitivity at year end	As at	As at
	March 31, 2023	March 31, 2022
<b>Receivables:</b>		
Weakening of INR by 5%	5.71	10.15
Strengthening of INR by 5%	(5.71)	(10.15)
<b>Payables:</b>		
Weakening of INR by 5%	(6.82)	(13.25)
Strengthening of INR by 5%	6.82	13.25

Amount in bracket represents additional cash outflow. Other amounts represent additional cash inflow.

#### 7.1.2 Interest Rate Risk

Company is exposed to short term and long term borrowings. Long term borrowing's interest rates are fixed and not subject to any interest rate risk. Short term borrowings being working capital loans are subject to interest rate fluctuation based on the performance and external credit rating of the Company

At the reporting date the interest rate profile of the Company's interest - bearing financial instruments as follows:

₹ in lakhs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Fixed Rate Instruments</b>		
Financial Asset		
- Bank Deposits	2,854.16	1,060.75
Financial Liabilities		
- Term Loan from Bank / Others	-	935.88
- Lease Liability	493.38	105.48



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 7.1.2 Interest Rate Risk (Contd..)

₹ in lakhs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Variable Rate Instruments</b>		
Financial Liabilities		
- Short Term Borrowings	-	4,290.59

The interest expenses and impact on statement of Profit on Loss on account of Increase/decrease of 100 basis points in interest rates at the balance sheet date is provided in table below:

₹ in lakhs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Interest Expenses arising on account of variable rate of interest on short term borrowings	37.96	107.88
<b>Impact on Interest Cost:</b>		
Increase in 100 basis point (Increase in Interest Cost)	(7.39)	(12.97)
Decrease in 100 basis points (Decrease in Interest Cost)	7.39	12.97

## 7.2 Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. It principally arises from the Company's Trade Receivables.

### Trade Receivables:

The Company has outstanding trade receivables amounting to ₹ 12,370.80 lakhs and ₹ 9,276.74 lakhs as of March 31, 2023 and March 31, 2022, respectively. Trade receivables are unsecured in nature, except to the extent of security deposits received from the distributors. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

Credit risk is managed by the Company by continuous monitoring of overdue receivables and also by making adequate provision towards expected credit loss in the books of account as per the simplified approach stated in the accounting policy.

Expected credit loss provision matrix provided below.

₹ in lakhs

Particulars	Overdue Period		
	Within the credit period	0-180 days	More than 180 days
Trade Receivables			
- 31.03.2023	-	0.26%	71.66%
- 31.03.2022	-	0.47%	58.68%



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## Credit Risk Exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows:

₹ in lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gross	Impairment	Gross	Impairment
Within the credit period	7,427.66	-	4,643.55	-
0 to 180 days	4,504.73	11.90	3,758.70	17.67
More than 180 days	1,588.73	1,138.42	2,159.01	1,266.85
<b>Total</b>	<b>13,521.12</b>	<b>1,150.32</b>	<b>10,561.26</b>	<b>1,284.52</b>

₹ in lakhs

Movement in Provision for Doubtful Debts	As at March 31, 2023	As at March 31, 2022
<b>As at the beginning of the year</b>	<b>1,284.52</b>	<b>614.81</b>
<b>Add:</b> Provided for the year	61.20	669.71
<b>Less:</b> Reversal of provision due to collection	193.51	-
<b>Less:</b> Utilization for the year	1.89	-
<b>As at the end of the year</b>	<b>1,150.32</b>	<b>1,284.52</b>

## 7.3 Liquidity Risk

Liquidity needs of the Company are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from the operations and bank borrowings.

The Company manages the liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues and repayment of loans arising during the normal course of business as of each reporting date. The Company meets its short term liquidity requirements primarily through efficient working capital management and by accessing additional and alternative credit facilities available in the financial market. The Company has acceptances in line with supplier's financing arrangements which might invoke liquidity risk as a result of liabilities being concentrated with few financial institutions instead of a diverse group of suppliers. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Company assesses long term liquidity requirements on a periodical basis and manage them through internal accruals and bank borrowings.

The table below provides details regarding the contractual cash outflow for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay.

(₹ in lakhs as at March 31, 2023)

Particulars	On demand and Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Term Loans	-	-	-	-	-	-
Short Term Borrowings	-	-	-	-	-	-
Security Deposits	296.18	-	-	-	-	296.18
Trade Payables	12,500.96	-	-	-	-	12,500.96
Other Financial Liabilities	5,724.70	-	-	-	-	5,724.70
Lease Liability	62.16	57.74	200.19	173.29	-	493.38



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 7.3 Liquidity Risk (Contd..)

(₹ in lakhs as at March 31, 2022)

Particulars	On demand and Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Term Loans	245.28	234.41	444.96	11.23	-	935.88
Short Term Borrowings	4,290.59	-	-	-	-	4,290.59
Security Deposits	265.76	-	-	-	-	265.76
Trade Payables	13,805.49	-	-	-	-	13,805.49
Other Financial Liabilities	7,021.62	-	-	-	-	7,021.62
Lease Liability	21.94	23.43	60.11	-	-	105.48

## 8. Capital Management

The Company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The company does so by adjusting dividend paid to shareholders. The total capital as on March 31, 2023 is ₹ 28,564.30 Lakhs. (Previous Year: ₹ 23,500.61 Lakhs).

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt	493.38	5,331.95
Total Equity	28,564.30	23,500.61
Debt to Equity Ratio	0.02	0.23

## 9. Disclosures Required Under the "Micro, Small and Medium Enterprises Development Act, 2006"

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
a. Principal amount due to Suppliers under the Act	2,756.93	1,018.80
b. Interest accrued and due to Suppliers under the Act, on the above amount	-	-
c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	86.68	-
d. Interest paid to Suppliers under the Act (Other than Section 16)	-	-
e. Interest paid to Suppliers under the Act (Section 16)	-	-
f. Interest due and payable to suppliers under the Act, for payments already made	1.24	-
g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	1.24	-

This information has been given in respect of such vendors to the extent they could be treated as 'Micro and Small Enterprises' on the basis of information available with the Company on which the Auditors have relied upon.

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 10. Disclosure in respect of Indian Accounting Standard (Ind AS)-115 "Revenue from Contracts with Customers"

### a) Disaggregation of Revenue:

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
LPG Stoves	24,145.58	24,820.22
Mixer Grinder	31,860.69	29,543.70
Table Top Wet Grinder	9,894.45	10,567.30
Pressure Cooker	16,215.52	16,900.86
Others	23,539.00	14,153.78
<b>Total Revenue from Contract with Customers</b>	<b>1,05,655.24</b>	<b>95,985.86</b>

### b) Contract liabilities such as advance from customers and liability for schemes and discounts are given below.

₹ in lakhs

Contract Liabilities	As at March 31, 2023	As at March 31, 2022
Advance from Customers	446.72	523.7
Liability for Scheme	2,106.10	NA

### c) Reconciliation of Revenue recognized with the contracted price and adjustments:

₹ in lakhs

Description	As at March 31, 2023	As at March 31, 2022
Transaction price	1,18,775.05	1,05,479.22
<b>Less: Sales Return</b>	<b>(7,191.19)</b>	<b>(3,844.62)</b>
<b>Less: Schemes, Discounts &amp; Refund Liability</b>	<b>(5,928.62)</b>	<b>(5,648.74)*</b>
<b>Net Revenue</b>	<b>1,05,655.24</b>	<b>95,985.86</b>

\* Includes Rs. 4,544.54 lakhs regrouped from other expenses to align with current year classification.

## 11. Disclosure in respect of Indian Accounting Standard (Ind AS)-116 "Leases"

### a) Following are the changes in carrying value of liabilities.

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	105.48	145.24
Additions	567.28	-
Finance cost accrued during the year	43.99	16.92
Deletions	-	-
Payment of lease liabilities	(223.37)	(56.68)
<b>Balance as at the end of the year</b>	<b>493.38</b>	<b>105.48</b>

### b) Following amount were recognized as expense:

₹ in lakhs

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation of right of use assets	32.33	12.50
Expense relating to short term leases	2,436.70	2,528.31
Interest on lease liabilities	43.99	16.92
<b>Total amount recognized in statement of Profit &amp; Loss</b>	<b>2,513.02</b>	<b>2,557.73</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## c) Maturity analysis of lease liabilities under Ind AS 116

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	119.90	45.37
Between 1 to 3 years	200.19	60.11
Between 3 to 5 years	173.29	-

## d) Amounts recognised in statement of Cash Flows

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Total Cash outflow for leases	223.37	56.68

e) Company applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.

f) The lease agreements do not impose any restrictions or covenants other than the security interests in the leased assets that are held by the lessor.

## 12. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

12.1 General description of various defined employee's benefits schemes are as under:

### a) Provident Fund:

The Company's Provident Fund (defined contribution fund) is managed by Regional Provident Fund Commissioner. The Company pays fixed contribution to provident fund at pre-determined rate.

### b) Gratuity:

Gratuity is a defined benefit plan, in respect of past services provided by the employees is quantified based on the actuarial valuation.

The scheme is funded by the Company and the liability is recognized on the basis of contribution payable to the insurer. Disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

The summarized position of various defined benefits recognized in the Statement of Profit and Loss, Other Comprehensive Income (OCI) and Balance Sheet and other disclosures are as under:

### Movement in Defined Benefit Obligation:

₹ in lakhs

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Defined Benefit Obligation - Beginning of the year</b>	<b>1,092.87</b>	<b>996.86</b>
Current Service Cost	122.36	117.76
Interest Cost	64.88	67.60
Past Service Cost	-	-
Benefits Paid	(415.46)	(45.48)
Re-measurements - Actuarial Loss / (Gain)	170.14	(43.87)
<b>Defined Benefit Obligation - End of the year</b>	<b>1,034.79</b>	<b>1,092.87</b>

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

Movement in Plan Asset: <span style="float: right;">₹ in lakhs</span>		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Fair value of Plan Assets at Beginning of year</b>	<b>1,078.98</b>	<b>864.89</b>
Employer Contributions	6.72	199.87
Benefits Paid	(415.46)	(45.48)
Re-measurements - Return on Plan Assets	64.11	65.38
Re-measurements - Actuarial (Loss) / Gain	11.97	(5.68)
<b>Fair value of Plan Assets at end of year</b>	<b>746.32</b>	<b>1,078.98</b>

Amount Recognized in Statement of Profit and Loss <span style="float: right;">₹ in lakhs</span>		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current Service Cost	122.36	117.76
Curtailment Cost/(Credit)	-	-
Net Interest on Net Defined Benefit Liability / (Assets)	0.77	2.22
Past Service Cost	-	-
<b>Cost Recognized in Profit and Loss</b>	<b>123.13</b>	<b>119.98</b>

Amount recognized in Other Comprehensive Income (OCI) <span style="float: right;">₹ in lakhs</span>		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Actuarial (Gain) / Loss due to assumption changes	170.13	(43.87)
Difference between Actual Return and Interest Income on Plan Assets- (Gain) / Loss	(11.97)	5.68
<b>Actuarial (Gain) / Loss recognized in OCI</b>	<b>158.16</b>	<b>(38.19)</b>

Sensitivity Analysis <span style="float: right;">₹ in lakhs</span>			
Assumption	Change in Assumption	As at March 31, 2023	As at March 31, 2022
Discount Rate	+0.50%	(56.68)	(54.02)
	-0.50%	61.77	58.63
Salary Growth Rate	+0.50%	61.01	54.34
	-0.50%	(56.57)	(50.70)

Actuarial Assumption		
Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.22%	7.33%
Rate of Salary Increase	7.00%	7.00%
Attrition Rate	3.00%	3.50%
Retirement Age	60 Years	60 Years
Average Future Service	14.9 Years	14.4 Years



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## Expected Benefit Payments

₹ in lakhs

S. No.	Year of payment	As at March 31, 2023	As at March 31, 2022
1	Year 1	43.70	48.21
2	Year 2	53.77	108.46
3	Year 3	56.16	66.55
4	Year 4	63.99	81.42
5	Year 5	58.83	66.81
6	Next 5 Years	442.43	440.09

## Category of Investment in Plan Assets

Category of Investment	% of fair value of plan assets
Insurer Managed Funds (LIC)	100% ( P.Y 100%)

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in gratuity fund maintained by the Life Insurance Corporation of India.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## 13. Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

### a) Information about major customers

Since the Company primarily operates in one segment - Domestic appliances and there is no reportable Geographical segment either.

The Company has derived revenues from one customer which amount to more than 10 per cent of Company's revenues, the details are given below:

₹ in lakhs

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
No of Customers	2	1
Revenue	29,858.09	23,406.43

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## b) Information about Geographical area:

The Company is Domiciled in India. The amount of its revenue from external customers broken down by location of customers is tabulated below:

Particulars	₹ in lakhs	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
India	1,03,963.97	94,633.41
Outside India	1,691.27	1,352.45
<b>Total</b>	<b>1,05,655.24</b>	<b>95,985.86</b>

The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets are shown below:

Particulars	₹ in lakhs	
	As at March 31, 2023	As at March 31, 2022
India	16,878.12	17,284.99
Outside India	-	-
<b>Total</b>	<b>16,878.12</b>	<b>17,284.99</b>

## 14. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

### a) Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of Basic EPS is as follows:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit for the year, attributable to the owners of the Company	₹. 5,166.58 Lakhs	₹. 1,612.68 Lakhs
Earnings used in calculation of basic earnings per share (A)	₹. 5,166.58 Lakhs	₹. 1,612.68 Lakhs
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	1,78,79,551	1,78,79,551
<b>Basic EPS = (A/B) (Face Value of ₹10 per share)</b>	<b>₹. 28.90</b>	<b>₹. 9.02</b>

### b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit for the year, attributable to the owners of the Company	₹. 5,166.58 Lakhs	₹. 1,612.68 Lakhs
Earnings used in calculation of basic earnings per share (A)	₹. 5,166.58 Lakhs	₹. 1,612.68 Lakhs
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	1,78,79,551	1,78,79,551
<b>Diluted EPS = (A/B) (Face Value of ₹10 per share)</b>	<b>₹. 28.90</b>	<b>₹. 9.02</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 15 . Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions,

### Contingent Liabilities and Contingent Assets

#### Warranty:

Provision is made for estimated warranty in respect of products sold which are still under warranty period at the end of the reporting period

#### Movement of provision for Warranty:

For the Year ended March 31, 2023 (₹ in lakhs)

Particulars	Balance as at April 01, 2022	Additions during the year	Utilization during the year	Reversal during the year	Balance as at March 31, 2023
Provision for Warranties	842.56	51.39	507.28	-	386.67

For the Year ended March 31, 2022 (₹ in lakhs)

Particulars	Balance as at April 01, 2021	Additions during the year	Utilization during the year	Reversal during the year	Balance as at March 31, 2022
Provision for Warranties	732.01	679.94	569.39	-	842.56

## 16. Disclosures in respect of Ind As 7 - Statement of Cash Flow

### Reconciliation of liabilities from financing activities:-

#### (i) Long Term Borrowings (Including Current maturities)

For the Year ended March 31, 2023 (₹ in lakhs)

Particulars	As at April 01, 2022	Proceeds	Repayments	As at March 31, 2023
Term Loan from Bank	933.70	-	(933.70)	-
Term Loan from Others	2.18	-	(2.18)	-
<b>Total</b>	<b>935.88</b>	<b>-</b>	<b>(935.88)</b>	<b>-</b>

For the Year ended March 31, 2022 (₹ in lakhs)

Particulars	As at April 01, 2021	Proceeds	Repayments	As at March 31, 2022
Term Loan from Bank	1,718.12	1,000.00	(1784.42)	933.70
Term Loan from Others	1,075.17	-	(1,072.99)	2.18
<b>Total</b>	<b>2,793.29</b>	<b>1,000.00</b>	<b>(2,857.41)</b>	<b>935.88</b>

#### (ii) Short Term Borrowings

For the Year ended March 31, 2023 (₹ in lakhs)

Particulars	As at April 01, 2022	Cash Flow	Foreign exchange Movement	As at March 31, 2023
Working Capital Facilities	4,290.59	(4,290.59)	-	-
Other Short Term Borrowings	-	-	-	-
<b>Total</b>	<b>4,290.59</b>	<b>(4,290.59)</b>	<b>-</b>	<b>-</b>

For the Year ended March 31, 2022 (₹ in lakhs)

Particulars	As at April 01, 2021	Cash Flow	Foreign exchange Movement	As at March 31, 2022
Working Capital Facilities	-	4,290.59	-	4,290.59
Other Short Term Borrowings	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4,290.59</b>	<b>-</b>	<b>4,290.59</b>



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 17. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”

### Holding Company

Crompton Greaves Consumer Electricals Limited (CGCEL) (w.e.f. 30.03.22)

### Fellow Subsidiaries (Subsidiary of CGCEL)

1. Pinnacles Lighting Project Private Limited
2. Nexuster Lighting Project Private Limited

### Name of Post-employment benefit plans with whom transactions were carried out during the year

Butterfly Gandhimathi Appliances Limited Employees Group Gratuity Trust Fund

### Key Managerial Personnel

FY 22-23	FY 21-22
Mr. P.M.Murty – Chairman, Non- Executive Independent Director (Appointed w.e.f 01.04.2022)	-
Mr. Rangarajan Sriram – Managing Director (Appointed w.e.f 30.03.2022)	Mr. Rangarajan Sriram – Managing Director (Appointed w.e.f 30.03.2022)
Mr. P.R. Ramesh – Independent Director (Appointed w.e.f 01.04.2022 and resigned w.e.f. 09.11.2022)	-
Mr. Shantanu Maharaj Khosla – Non Independent Director (Appointed w.e.f. 30.03.2022)	Mr. Shantanu Maharaj Khosla – Non Independent Director (Appointed w.e.f. 30.03.2022)
Mr. Mathew Job – Non Independent Director (Resigned w.e.f. 30.04.2023)	Mr. Mathew Job – Non Independent Director (Appointed w.e.f. 30.03.2022)
Mr. M. Padmanabhan – Independent Director	Mr. M. Padmanabhan – Independent Director
Mr. A. Balasubramanian – Independent Director	Mr. A. Balasubramanian – Independent Director
Mr. G.S. Samuel – Independent Director	Mr. G.S. Samuel – Independent Director
Mr. T.R. Srinivasan – Independent Director	Mr. T.R. Srinivasan – Independent Director
Ms. Maheshwari Mohan – Independent Director	Ms. Maheshwari Mohan – Independent Director
Ms. Smita Anand – Independent Director (Appointed w.e.f 01.04.2022)	-
-	Mr. V.M. Lakshminarayanan – Chairman & Managing Director (Resigned w.e.f. 30.03.2022)*
-	Mr. V.M. Balasubramaniam – Vice-Chairman & Managing Director (Resigned w.e.f. 30.03.2022)*
-	Mr. V.M. Seshadri – Managing Director (Resigned w.e.f. 30.03.2022)*
-	Mr. V.M. Gangadharam – Executive Director (Resigned w.e.f. 30.03.2022)*
-	Mr. V.M. Kumaresan – Executive Director-Technical (Resigned w.e.f. 30.03.2022)*
-	Mr. K. Ganesan – Independent Director (Resigned w.e.f. 04.03.2022)
Mr. R. Nagarajan – Chief Financial Officer (CFO) (Resigned w.e.f. 05.04.2023)	Mr. R. Nagarajan – Chief Financial Officer (CFO)
Mrs. Priya Varshinee V M – Company Secretary cum Compliance Officer (Resigned w.e.f. 03.02.2023)	Mrs. Priya Varshinee V M – Company Secretary cum Compliance Officer (Appointed w.e.f 30.06.2021)
-	Mr. K.S.Ramakrishnan – Company Secretary & General Manager (Legal) (CS) Deceased on 18.05.2021



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## Key Managerial Personnel (Contd..)

FY 22-23	FY 21-22
Mr. Viral Sarvaiya – Company Secretary & Compliance Officer (Appointed w.e.f. March 25, 2023)	-
Ms. Ananda Shalini – Chief Financial Officer (Appointed w.e.f. April 6, 2023)	-

## Relatives of Key Managerial Personnel:

FY 22-23	FY 21-22
-	Mr. V.M.L. Karthikeyan (Resigned w.e.f.30.03.2022)*
-	Mr. G. Viswanathan (Resigned w.e.f. 30.03.2022)*
-	Mr. V.M.L. Senthilnathan (Resigned w.e.f. 30.03.2022)*
-	Mr. V.M.L. Ganesan (Resigned w.e.f. 30.03.2022)*
-	Mr. V.M.G. Mayuresan (Resigned w.e.f. 30.03.2022)*

\* Pursuant to sale of shares by the erstwhile promoters, the Company had applied for reclassifying the Promoter shareholders. The stock exchanges have approved the request vide their letter dated January 03, 2023

## Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives

FY 22-23	FY 21-22
-	LLM Appliances Private Limited **
-	V.M. Chettiar & Sons India LLP**
-	Butterfly Industrial Designs Private Limited**
-	Swaminathan Enterprises Private Limited**
-	Sivagurunathan Industries**
-	East West Combined Industries**
-	Mrinalini Industries**
-	Bean and Leaf Beverages Private Limited**
-	H&S Supply Chain Solution Private Limited**
-	Chrysalis Home Needs Private Limited**
-	Rishaba Industries LLP**
-	B Cube Ventures LLP**
-	Agilitive Appliances LLP**

\*\*Enterprises owned or significantly influenced by erstwhile promoters /key managerial personnel/their relatives

## Compensation to Key Managerial Persons (KMP)

### 17.1 Managerial Remuneration:

#### i. Directors :-

Particulars	₹ in lakhs	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Short-term employee benefits	279.79*	415.04
Post-employment benefits (PF)	-	55.87
Sitting Fees to Directors	53.10	43.80
Commission to Independent Directors	80.00	-
<b>Total</b>	<b>412.89</b>	<b>514.71</b>

\*Represents secondment cost debited by Holding Company.

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## i. Directors :- (Contd..)

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Payable	-	55.40
Commission Payable to Independent Directors	80.00	-

## ii. Others (CFO & CS) :-

₹ in lakhs

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Remuneration and Short-term Benefits	52.40	42.07
Post-employment benefits	2.01	1.92
<b>Total</b>	<b>54.41</b>	<b>43.99</b>

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Payable	5.25	2.94

**Note:** As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individuals is not ascertainable and therefore not included above.

## Transactions during the year and outstanding balances

### a) Holding Company

#### Transactions during the year

₹ in lakhs

Sl. No.	Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
1	<b>Services Received</b>	<b>660.96</b>	-
	- Secondment Cost	600.31	-
	- Royalty	52.65	-
	- Others	8.00	-
2	<b>Sales and Services</b>	<b>20.07</b>	-
	<b>Total</b>	<b>681.03</b>	-

#### Outstanding balances

₹ in lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable	-	-
Payable	273.07	-

\*Includes secondment cost payable ₹ 259.08 lakhs (P.Y Nil)



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## b) Enterprises owned or significantly influenced by Key Management Personnel or their Relatives:

Transactions during the year		₹ in lakhs	
Sl. No.	Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
1	Purchase of Goods	-	8,250.66
2	Services Received	-	4,326.89
	-Warehousing	-	982.70
	- Freight	-	3,308.28
	- Others	-	35.91
3	Sales and Services	-	346.73
	<b>Total</b>	-	<b>12,924.28</b>

Outstanding balances		₹ in lakhs	
Particulars	As at March 31, 2023	As at March 31, 2022	
Payable	-	866.14	

## c) Remuneration & Perquisites to Relatives of KMP

Transactions during the year		₹ in lakhs	
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	
Remuneration and Short-term benefits	-	206.80	
Post-employment benefits	-	21.59	
<b>Total</b>	-	<b>228.39</b>	

**Note:** As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individuals is not ascertainable and therefore not included above.

Outstanding balances:

Outstanding balances:		₹ in lakhs	
Particulars	As at March 31, 2023	As at March 31, 2022	
Payable	-	21.48	

## 18. Details of CSR Expenditure

Details of CSR Expenditure		₹ in lakhs	
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	
a. Gross amount required to be spent during the year	3.44	-	

Details of CSR Expenditure		₹ in lakhs			
Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		
	In Cash	Yet to be Paid in Cash	In Cash	Yet to be Paid in Cash	
b. Amount spent during the year					
i. Construction/acquisition of any asset	-	-	-	-	
ii. On purposes other than (i) above	2.80	0.64	-	-	

The Company is process of transferring the unspent amount of ₹0.64 lakhs for FY 2022-23 to prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) on or before September 30, 2023.

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 19. Ratios

Key Ratios of the Company are summarized below.

As at March 31, 2023

Ratio	Numerator	Denominator	Current period	Previous period	Variance (%)	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.64	1.25	31.01	Improved cash generation from operations, incremental debtors, reduction in inventory and Trade payables led to improved Current ratio.
Debt equity ratio	Total Debt	Shareholders fund	0.02	0.23	(92.39)	improved self generated funds leading to non utilisation of debt.
Debt service coverage ratio	Earnings available for Debt Service	Debt instalment+Interest	6.32	1.41	346.55	Improved Operating profit and reduction in borrowings
Return on equity ratio	Net Profit after Tax	Avg. Shareholders fund	0.20	0.07	182.44	Improved profitability
Inventory turnover ratio	Cost of Goods Sold	Avg. Inventory	3.99	3.30	20.80	Greater velocity in operations, reduction in inventory holding with effective stock norms and supply planning
Trade receivables turnover ratio	Net Credit Sales	Avg Accounts Receivable	9.76	11.49	(15.02)	Increase in debtors with sale concentration in channels with higher credit period; however, quality of debtors improved with reduction in receivables > 180d
Trade payables turnover ratio	Net Credit Purchases	Avg Trade Payables	4.44	4.46	(0.44)	No significant change
Net capital turnover ratio	Net Sales	Working Capital	8.21	14.08	(41.70)	Increase in debtors with sale concentration in channels with higher credit period, and significant decrease in current liabilities, led to reduced turns in Working capital
Net Profit ratio	Net Profit	Net Sales	0.05	0.02	191.05	Improved PBT
Return on capital employed	Earning Before Interest & Taxes	Capital employed (equity+ debt + Deferred tax Liability)	0.21	0.09	121.99	Improved operating profit and reduced debt
Return on investments	Net Gain	Opening Value of Investment	0.02	0.21	(92.68)	Volatility in market conditions



# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 20. Reconciliation of Quarterly returns furnished with the bank and books of accounts

a. Name of the Bankers - State Bank of India, South Indian bank, Indusind, IDBI

b. For particulars of securities provided, refer note no 3.18

₹ in lakhs

Quarter	Amount as per books of account	Amount as reported in the quarterly Return/ Statement	Amount of Differences	Reason for Material Discrepancies
Jun-22	12,975.25	14,782.70	1,807.45	Provisions, Regrouping, Final Entries are not part of Bank data, the details get shared with initial reports.
Sep-22	11,825.05	12,547.36	722.31	
Dec-22	10,510.76	11,062.69	551.93	
Mar-23	13,529.59	15,380.97	1,851.38	

## 21. Code of Social Security, 2020

The date on which the Code of Social Security, 2020 ("the code") relating to employee benefits during the employment and post-employment benefit will come into effect is yet to be notified and the related rules are yet to be finalized. The company will evaluate the code and its rules, assess the impact, if any on account of the same once they become effective.

## 22. Additional Disclosures

Additional information and disclosures as required under Schedule III to the act to the extent applicable to the company has been disclosed.

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2023.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

# Notes forming part of Financial Statements

as at and for the year ended March 31, 2023

## 22. Additional Disclosures (Contd..)

- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has no 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).
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**23.** Figures for the comparative period have been regrouped wherever necessary in conformity with current period classification.

**24.** The Financial statements were reviewed and recommended by the Audit Committee and has been approved by the Board of Directors at their meeting held on 12th May 2023

As per our report of even date attached  
**For ASA & Associates LLP**  
 Chartered Accountants  
 Firm Regn No. 009571N/N500006

For and on behalf of the Board  
**BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

**G.N.RAMASWAMI**  
 Partner  
 Membership No. 202363

**P.M. MURTY**  
 Non- Executive Independent Chairman  
 DIN:00011179

**RANGARAJAN SRIRAM**  
 Managing Director  
 DIN:09550640

**A.BALASUBRAMANIAN**  
 Independent Director  
 DIN:00490921

**B.ANANDA SHALINI**  
 Chief Financial Officer

**VIRAL SARVAIYA**  
 Company Secretary & Compliance Officer  
 ICSI Membership No. A33764

Place: Chennai  
 Date: 12.05.2023















**BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

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Chengalpet District- 603 103, Tamil Nadu, India,

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**Website:** [www.butterflyindia.com](http://www.butterflyindia.com)

