



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

August 7, 2019

General Manager – DCS,
Dept. of Corporate Services,
BSE Ltd,
Floor I, P.J.Towers,
Dalal Street,
Mumbai – 400 001
Thro' BSE Listing Centre

Manager,
National Stock Exchange of India Ltd
Exchange Plaza,
BandraKurla Complex,
Bandra (E),
Mumbai – 400 051
Thro' NEAPS

Dear Sir,

Sub: Chairman Speech

We are forwarding herewith a copy of the Chairman Speech delivered at the Thirty Second Annual General Meeting of our Company held on 07.08.2019 at the Company's Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District.

We request you to kindly take the above documents as record.

Thanking you,

Yours faithfully,
For Butterfly Gandhimathi Appliances Limited

K.S. Ramakrishnan
K.S.Ramakrishnan
Company Secretary &
General Manager (Legal)

Encl:a/a.



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

**Chairman's Speech at 32nd Annual General Meeting
of the Company held on 7th August 2019**

Dear Shareholders,

It gives me immense pleasure to welcome you all, to this 32nd Annual General Meeting of your Company. The Annual Report for the year 2019 has been shared with you. So, with your permission, I shall take it as read.

The Indian economy started the fiscal year 2018-19 with a healthy growth of 8.2% in the first quarter on the back of domestic resilience. The growth eased to 7.3% in the subsequent quarter due to rising global volatility normalised monetary policy in advanced economies, externalities from trade disputes and investment rerouting. Despite softer growth the Indian economy remains one of the fastest growing and possibly the least affected in global turmoil. The financial marketing, non-banking financial sector in particular, faced severe liquidity crunch for a variety of reasons. All these had a dampening effect on the consumer sentiment.

During the year under review, in spite of challenging environment, the overall performance of the Company significantly improved. With focused strategic and effective implementation of turnaround plan, your Company's growth has been on right track particularly with focus on modern trade, e-commerce, innovative products and product mix. Many strategic decisions taken over the past few years are coming to fruition.

In the optimistic environment, your Company has put up a good performance in financial year 2018-19. The net sales increased 20.61% from Rs.540.56 crores in financial year 2017-18 to Rs.651.98 crores in financial year 2018-19. Despite Kerala floods at the time of peak sales season and Gaja cyclone, your Company achieved the good growth in sales and profit. Your Company has been focusing on latest manufacturing automation techniques which helped to neutralise cost increase in various areas. The Company is striving for further improvement through effective cost rationalisation, greater market penetration and efficient working capital management. Rising income levels, urbanization and changing consumer behaviour hold an optimistic outlook to the retail sector. Digital Marketing is the weapon of innovation driven strategy of the Indian small and medium sized firms willing to work hard and gain greater foothold in the competitive Indian Market. Nevertheless, the long-term outlook for the industry appears positive, supported by raising incomes, favourable demographics, entry of foreign players and increasing urbanisation.

I am expecting a stronger year ahead. The Company will endeavour to rejuvenate in near future as kitchen appliances products demand increases. The overall strategy of your Company will be driven by its strength and competencies.

Corporate Governance

The philosophy of your Company in relation to corporate governance is to ensure transparency in its dealings and compliance of applicable laws and regulations in order to promote ethical conduct and practices throughout the organization. Your Company is committed to comply with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2017 relating to the Corporate Governance and the guidelines on Corporate Governance. A separate section on corporate governance with applicable details forms part of the Directors' Report.

Industrial Relations

I am pleased to inform you that industrial relations at all units have been cordial during the year under review and, on behalf of your Directors; I would like to acknowledge the co-operation and contribution of the entire workforce.

Acknowledgements

Before I conclude, on behalf of the Board of Directors of your Company, I wish to convey my earnest thanks to the valued Shareholders for your continued support and trust. This motivates us to excel in all our pursuits and constant endeavour to create value for you.

I would like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company to higher levels of achievement.

Above all, I would like to place on record the commendable efforts and commitments shown by our most valued resource, i.e. the Human Resource of the Company as our employees have always contributed their best and enabled the Company to set new benchmarks.

Jai Hind

V.M.Lakshminarayanan
Chairman & Managing Director
Butterfly Gandhimathi Appliances Limited