



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

22nd June, 2022

General Manager – DCS,
Dept. of Corporate Services,
BSE Ltd,
Floor 1, P J Towers,
Dalal Street,
Mumbai – 400 001.
Scrip : 517421

Manager,
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051
Scrip : Butterfly

Dear Sir/Madam,

Sub: Notice of Annual General Meeting ('AGM') - Intimation under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

We wish to inform you that the 35th AGM of M/s. Butterfly Gandhimathi Appliances Limited ('the Company') will be held on Thursday, 14th July, 2022 at 3.00 P.M. through Video Conferencing or Other Audio Visual Means and the deemed venue of the meeting shall be the Corporate Office of the Company at E-34, Second floor, Rajiv Gandhi Salai, Egattur Village, Navalur – 600130, Chengalpattu District.

In accordance with the General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 and General Circular No. 02/2022 dated 05th May, 2022 issued by Ministry of Corporate Affairs ("MCA Circulars") and Circulars dated 12th May, 2020, 15th January, 2021 and 13th May, 2022 issued by the Securities and Exchange Board of India ('SEBI Circulars') and relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations, AGM of the Company will be held without the physical presence of the Shareholders at a deemed venue.

In terms of the provisions of Regulation 30 and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Annual Report of the Company for the Financial Year 2021-22 ("Annual Report") along with the Notice of the 35th Annual General Meeting ("AGM") is enclosed herewith.

The Annual Report contains the information to be given and disclosures required to be made in terms of Regulation 34(2) and 34(3) of the SEBI Listing Regulations.

Regd. office: 143, Pudupakkam Village, Vandalur - Kelambakkam Road, Kelambakkam - Pin 603 103,
Chengalpattu District, Phone: +91-44-47415500 CIN No: I28931TN1986PLC012728,
E- mail: gmal@butterflyindia.com web : www.butterflyindia.com

Corporate office: E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur - 603 130. Chengalpattu District.
Phone: 044 - 49005100/5120, E- mail: butterflyho@butterflyindia.com



Further, in accordance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report is being sent only by electronic mode to those Shareholders whose email addresses are registered with the Company/ Depository Participants. The Annual Report together with the Notice of the AGM is being dispatched to the Shareholders today, i.e. 22nd June 2022.

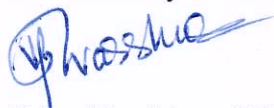
The agenda items proposed to be taken up at the AGM as recommended by the Board of Directors are as mentioned below:

S. No	Item(s) proposed to be transacted	Resolution(s) to be passed	Manner of Approval
1.	To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Report of the Board of Directors and the Auditors thereon.	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
2.	Confirmation of the payment of Interim Dividend	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
3.	Re-appointment of M/s. ASA & Associates LLP, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
4.	Ratification of remuneration payable to M/s. S. Mahadevan & Co., Cost Auditors of the Company	Ordinary Resolution	Voting through electronic means and/or at the time of AGM
5.	Alteration of Articles of Association of Company	Special Resolution	Voting through electronic means and/or at the time of AGM
6.	Approval for the Payment of Commission to the Non- Executive Independent Directors of the Company	Ordinary Resolution	Voting through electronic means and/or at the time of AGM

Kindly take the same on record and acknowledge the same.

Thanking You

For Butterfly Gandhimathi Appliances Limited



Priya Varshinee V M

Company Secretary & Compliance Officer





**ransitioning
ransforming
ranscending**



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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.

2021-22

for Butterfly it was a
milestone-marking year,
of seeding new synergies

&

Transitioning

A destiny-defining year
of building new capabilities,
forming new alliances

&

Transforming

It was also a year of
going beyond, in pursuit
of newer horizons

&

Transcending

About Us

Background

Started in 1986 Butterfly Gandhimathi Appliances Limited (BGMAL) is today amongst the largest manufacturers of domestic kitchen and electrical appliances in India.

Products

Reputed for quality and durability the Company's wide range of products marketed under the 'BUTTERFLY' brand include 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, Water Heaters (Geysers), Air Coolers, Electric Water Kettle, Electric Sandwich Maker, Electric Bread Toaster, Fans and Washing Machine.

Integrated Manufacturing

The Company is ranked among the very few integrated manufacturers of Household appliances in India with state-of-the-art manufacturing facilities, a dedicated R&D wing and in-house tooling, mould and die making expertise which ensure consistency in product design and quality.

A pan India presence with a strong distribution and channel network together with a dynamic, on-line platform enables the Company to cater to a wide and varied customer spectrum across the country.

Global Footprint

The Company has enlarged its global footprint with a growing customer base in the United Kingdom, Canada, Australia, Japan, Middle East and East Asian countries, among others.

1st in India to introduce health-friendly, Stainless Steel Pressure Cookers

1st in India to introduce fuel efficient Stainless Steel LPG Stoves

1st in India to introduce Vacuum Flasks with high heat retention properties.

New Synergies

BGMAL's acquisition by Crompton Greaves Consumer Electricals Limited in February 2022 marks a new milestone in the Company's journey and its strategies for greater growth.

Our Philosophy

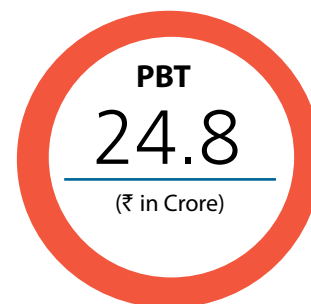
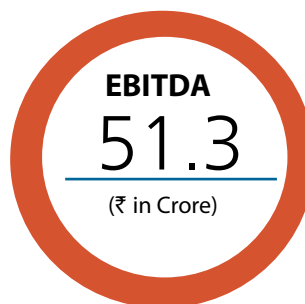
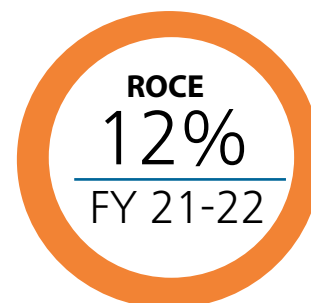
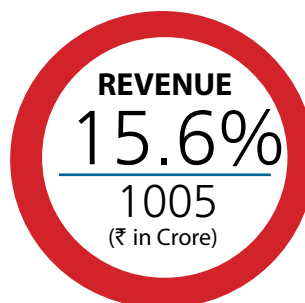
Our Company's philosophy is to provide high quality kitchen and electrical appliances which offer ergonomic features and attractive design at great value for money to our customers and provide service that gives satisfaction to them, while upholding the core values of transparency, integrity, honesty, accountability and compliance with laws. We consider stakeholders at all levels as partners in our success and we remain committed to maximizing value of shareholders.

Highlights FY 21-22

FY 2021-22 - Butterfly transitioned into a vibrant organisation countering challenges with a vigour born out of resilience.

Despite the hurdles of disrupted operations due to the pandemic lock-down, the Company transformed into growth engine recording a creditable performance.

Building capability in people, process and products, the Company continued its journey of transformation, readying itself for a new future.



Our Core Values



TRANSPARENCY



INTEGRITY



HONESTY



ACCOUNTABILITY



COMPLIANCE
WITH LAWS

CHAIRMAN'S MESSAGE



Dear Shareholders,

It is with pleasure that I present the Annual Report of your Company for the financial year ended 31st March, 2022.

The most significant event of the year was the acquisition at the end of FY 2021-22 of the shareholding of the promoters of Butterfly Gandhimathi Appliances Ltd (BGMAL) by Crompton Greaves Consumer Electricals Ltd, (CGCEL), a leader in Consumer Electrical Appliances, Lighting and Pumps.

CGCEL has said, "The Butterfly acquisition, will add scale and extend the 'Core Product Portfolio' of Crompton's current range of kitchen products and accelerate its long-term strategic goal of becoming a leading player in the small domestic appliances segment. The acquisition is in alignment with Crompton's long-term vision of becoming a leading pan-India Kitchen Appliances player. Butterfly's

proven channel and brand presence will form the base for a complete kitchen play, through a most extensive distribution network and a wider range of competitive and innovative products."

I fully expect that the combined entity will successfully realise that ambition.

.

Macro-Economic Overview

The year 2021-22 provided many challenges. The second wave of the pandemic and the resultant lock-down disrupted operations and dampened market sentiment. The Russia- Ukraine war led to supply chain imbalances and a surge in prices of fuels, raw materials and commodities. The IMF estimates that global GDP growth which was at 6.1 percent in 2021 will drop to 3.6 percent in 2022 and remain at that level in 2023. For India, RBI has projected GDP growth at 8.9 percent for FY 2021-22 and 7.2 percent for FY 2022-23.

At Butterfly, we are excited about the immense possibilities for growth in the fast evolving kitchen appliances space and have mapped out strategic plan to mine the opportunities in the domestic market.



However key economic indications point to the revival of the Indian economy; a rebound on the back of supportive Government policies - the 'Make in India' and productivity incentivisation schemes for industries, the ambitious 'Gati Shakthi program with large outlays in transportation, infrastructure and rural development projects and the focus on a self-reliant or 'Atmanirbhar Bharat'. All of this augur well for the growth of the Kitchen Appliances industry in the country.

Sectoral Performance - India.

During the year, the Kitchen Appliances industry, like all other businesses in India, was affected by the lockdown restrictions, the subdued consumer sentiment, the challenges of supply chain disruptions and surging raw material costs. Yet, the industry is upbeat about the large potential for growth and the investments reflect the positive sentiment.

Industry Growth Drivers

The Kitchen Appliances industry is estimated to grow strongly due to rapid urbanization, increase in nuclear families and a growing middle class with high disposable incomes and aspirational living standards. In addition, the health consciousness with preference for home cooked food and work from-home trends are seen as major demand drivers. An increased shift in consumer preference for sustainability and energy efficient, connected products, embedded with advanced AI technologies, is marking the next stage of market growth for the Kitchen Appliances industry.

BGMAL Performance

Despite the difficult business environment, the Company recorded a robust growth in revenue during the fiscal year, by introducing new products across key categories (Mixie, Cooker and Gas Stoves). This has become possible with Company's strong R&D foundation and technology that helped launch a range of innovative and consumer centric products in each of the product segments: Kitchen Appliances, Cooker / Cookware and others which includes both the electric and non- electric verticals.

In line with our growth strategies we invested in automation and capacity expansion at our manufacturing plants at Pudupakkam, Mambakkam and Urapakkam during the year.

Strategic market storming initiatives with product differentiation and segmentation were deployed to enhance sales and market penetration. Dealer support initiatives helped to deepen channel partnerships, streamline inventories and promote sales.

The Butterfly brand consolidated its leadership in its served segments, enlarging its geographical footprint and customer touchpoints, with a pan India, omni-channel presence, in e-commerce, modern trade and rural segments. The Company deepened its on-line engagement with multi-channel, direct-to-consumer programmes, earning the highest ranking by e-commerce majors in turn-around-time, customer responsiveness and for the fastest new product launches.

Our Total Income stood at ₹1,005.30 crores a growth of 15.6 percent on sales of ₹ 869.64 crores in FY 2020-21. Profit After Tax was ₹ 16.13 crores, a reduction from ₹ 36.16 crores in the previous fiscal. The decline in profit levels was mainly due to the reduction in channel offtake during the ownership transition impacting revenue, the lag between the steep increase in commodity prices and pricing action denting Gross Margins and the additional provisions made based on Management assessment, including provisions for old and ageing inventory.

The new management team has communicated with all the stakeholders for assuring business continuity during the transition and after. I would like to assure you that business is back to normal levels in terms of offtake across all channels and geographies. This we believe, will also result in operating leverage which coupled with gross margin recovery will deliver operating margins at least in line with historical trends.

In addition, plans for effectively integrating BGMAL with Crompton Greaves Consumer Electricals are planned in detail. These efforts on all fronts, namely, business (revenues & costs), processes and systems and organisational capability have been progressing well.

I would like to reiterate that the growth and structural profitability of BGMAL continues to be robust and recovery in revenue growth and margins is on expected lines based on current trends.

At BGMAL, we are excited about the immense possibilities for growth in the fast evolving kitchen appliances space and have mapped out strategic plans to mine the opportunities in the domestic market.

At BGMAL, we believe our people are our greatest asset. In line with this, we continue to invest in skill and capability building programmes and digital acceleration training, to prepare an empowered and future-ready people force. As part of our people welfare measures, the health and safety of employees was accorded the highest priority with stringent safety protocols and hygiene standards, including Covid-centric supportive measures.

Building an organisation like BGMAL is no mean achievement. I wish to record my deepest admiration and appreciation for Mr. V. M. Lakshminarayanan, former Chairman and his team for building BGMAL as a strong organisation and Butterfly as a trusted brand reputed for its quality and durability. That legacy will be built on in the years to come.

I wish to thank the Board Members for their guidance and unstinting support during the acquisition and after. The Board has been strengthened with the addition of new Directors. Each of them come with deep experience and domain expertise, which I am sure, will contribute to BGMAL's growth and governance.

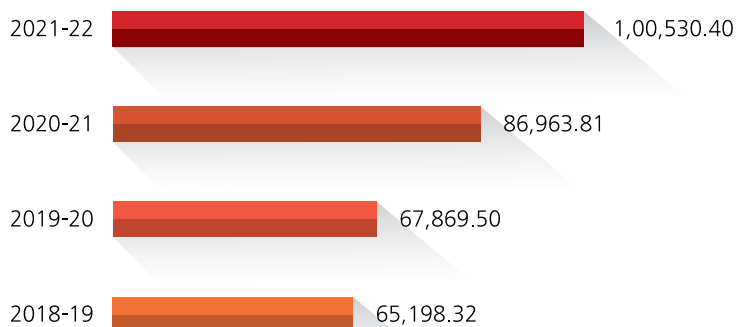
I wish to record my gratitude to our consumers, channel partners, vendors, and our shareholders for their continued support and trust reposed in us.

Sincerely,

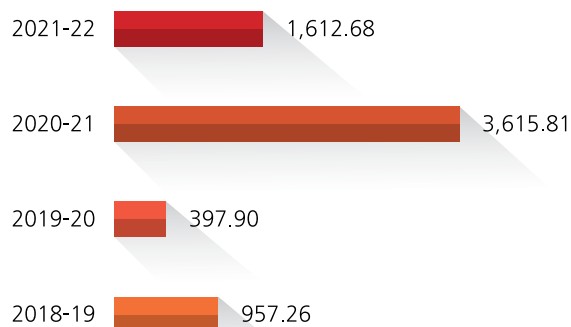
P M Murty
Chairman

Our Performance

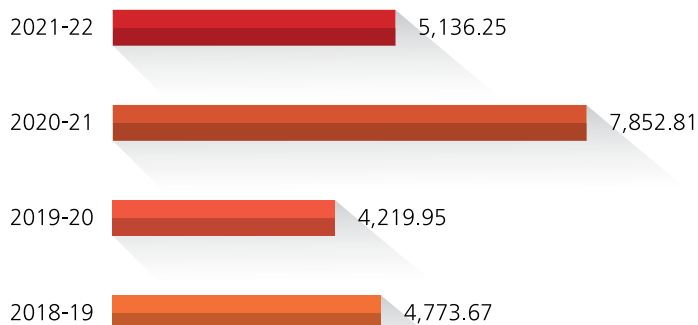
TOTAL REVENUE (₹ in Lakhs)



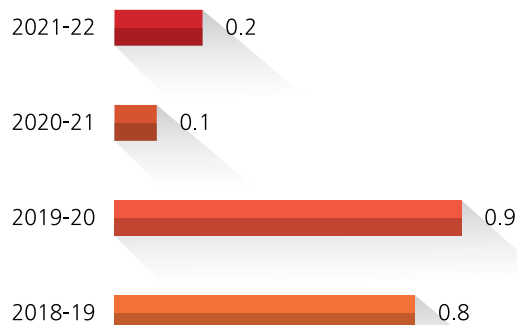
PROFIT AFTER TAX (₹ in Lakhs)



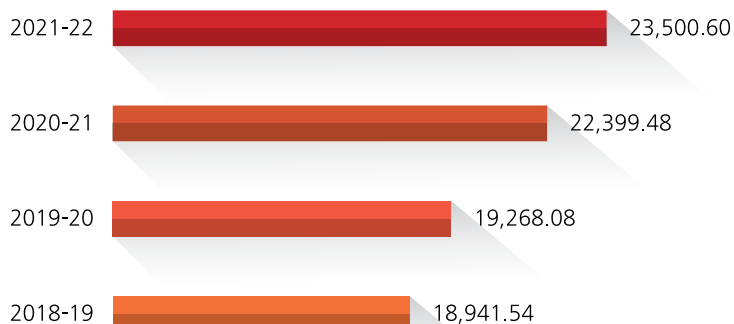
EBITDA (₹ in Lakhs)



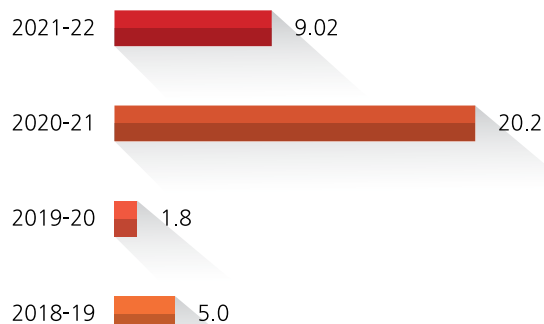
NET DEBT- EQUITY RATIO



NETWORTH (₹ in Lakhs)



EARNING PER SHARE (₹)





Transforming with capability building and operational excellence

Long before 'Atmanirbhar Bharat' and 'Make in India' became a clarion call for a resurgent India, we have believed in being self-reliant. A business philosophy which has stood us in good stead, providing us the capability to address any surge in market demand besides buffering us from supply chain disruptions and quality shortfalls from import dependent components and products.

Butterfly is among the very few integrated manufacturers of kitchen appliances in India, with multi-plant, multi-modal, indigenous production capabilities, operational on SAP platforms with a stringent, five-stage quality control system.

The manufacturing plants are certified for ISO 9001:2015 and ISO 14001:2015 Environment Management Systems and meet the highest

standards in sustainable processes and manufacturing efficiencies.

A dedicated R&D wing spearheads the Company's robust, innovation-led, product development with almost 80% of the products manufactured in-house.

At Butterfly, 2021-22 was a year of transforming, of seeding new synergies in business processes and manufacturing capabilities.

Despite staggered operations due to the the lockdown in the first quarter of the year, BGMAL's manufacturing plants turned out record production meeting the burgeoning market demand in addition to completing the capacity expansions and modernisation projects on time. This was made possible due to the stringent safety protocol, the disciplined work culture and the



Mixie-Motor Manufacturing Line at Pudupakkam

resilient spirit of the Butterfly team. In line with its long term strategies for greater growth, the Company embarked upon large scale investments in capacity augmentation, automation and new generation process technologies at its three Manufacturing Plants at Pudupakkam, Urappakkam and Mambakkam.

To cater to the burgeoning market demand, new machines were installed at the motor manufacturing line of the Mixer Grinder facility at Urappakkam. plant, enhancing production from 6000 to 9000 Units per day.

Lean manufacturing with cellular line of conveyors was introduced at the Mixer Grinder assembly at Urappakkam for capacity optimisation, enhancement of process efficiencies, reducing

downtime, waste elimination and productivity improvement.

A series of 9 robotic systems were added at the plastic injection moulding facility at Pudupakkam to enable reduction in cycle time and productivity improvement. The automation of the pick-and-place work routine has enhanced process efficiencies, besides ensuring contactless, speedier operations.

An online granulator for Runner cutting was introduced at Pudupakkam to utilize the runner wastage, thereby saving on raw material consumption.

To enhance the manufacturing capacity at the Jar Manufacturing Plant, 10 new presses were installed, increasing the jar production capacity from 6000 to 9000 sets per day.

At the Flask manufacturing line at the Urappakkam Plant, ultrasonic, automatic cleaning systems were added for elimination of manual intervention.

Capacity expansions were carried out at the Table-top Wet Grinder and Glass-top LPG Stove Manufacturing Assemblies at the Mambakkam Plant. The demand for domestic kitchen appliances is estimated to grow exponentially with a rising population and growing customer needs. As an integrated manufacturer of domestic appliances, BGMAL is well positioned to cater to a burgeoning market demand with on-time deliveries and products curated both for the Indian and global markets.



Product & Quality Testing at Pudupakkam

Staying Connected to Consumers

Ranked No.1

By E-Commerce Majors

for the fastest and widest product launches, on the on-line platform in the Kitchen Appliances segment.

for the fastest Turn-Around-Time (TAT 95% < 48 Hours) and Consumer Responsiveness.

At BGMAL, we have always believed markets are shaped by consumer needs and these needs change with time.

The global pandemic outbreak meant a rapid transitioning of business to a landscape of the new normal, of disrupted business operations and contactless consumer transactions.

At BGMAL, our in-built strategic agility enabled us to deftly adapt and remain cued in to the marked shift in consumer behaviour and attitude, revolving on the 3 C's of convenience, connectedness and customization. Your Company's robust digital presence offering customers innovative products with a 'value-for-me' proposition, together with a consummate and seamless buying experience, not only helped to reinforce their trust in us but also enabled us to gain market share and outpace sectoral growth.

Tactical go-to-market strategies were deployed during the year to enhance growth and build a brand ecosystem across products and regions.

Digital acceleration through innovative, on-line shopping modules for consumer engagement and outreach and focused brand building activities on the OTT Platform led to significant growth in on-line sales as against the previous year.

The 'Master Chef' television programme sponsored by the Company also helped enhance brand recall and promote sales.

The Company strengthened the digital acceleration, data driven culture with dashboards for live market feed and tertiary sales mapping through mobile apps and automated on-line reports.

**Touched
1000 Crores
in Revenue,
CAGR 18%
over 6 years.**



To build a strong product management system and for greater market focus, segment separation of the Electrical and Non Electrical Products was made during the year.

Retail outlets and touchpoints for a physical interface with the consumers were also added across regions to enlarge market presence. With localisation becoming the new globalisation, channel and supply chain reconfiguration based on demand density has become mandatory to stay agile. In line with this, BGMAL leveraged its pan India presence and a well established channel network to expand its footprint into the hinterland and untapped Tier 2 and non-metro markets.

New, innovative and segment-specific products, curated for the on-line and retail markets were launched during the year, earning the highest ranking

from E-Commerce Majors for the fastest and widest range of product launches in the sector

In addition, accelerating consumer Turn-Around-Time to less than 48 hours earned the Company the highest rating for 'customer responsiveness' by E-commerce majors.

In the export market, the Company continued to expand its global footprint recording robust growth in sales despite the challenging environment.

Market expansion by leveraging the synergies of the Crompton channel, building a strong pan India presence, innovative consumer connect programmes and an aggressive push for growth - at BGMAL the roadmap to transform and transcend is clearly drawn.

**20 + new,
innovative
and segment-
specific
products
were
launched
during the
year.**

Innovation and new-gen technologies

The continuous pursuit of the new and the unexplored is reflected in our pioneering zeal and passion for innovation, resulting in breakthrough products and processes that have set new benchmarks in the industry.

Our strong R&D capabilities coupled with the technical expertise honed from nearly four decades of industry experience, provides us the insight to innovate new and industry-defining, consumer-centric products.

The domestic appliances industry is undergoing a major transformation in technology and end user trends. Product innovation is a key metric driving brand choice of discerning customers for their premium purchases.

Sustainability-driven, AI integrated and connected, smart kitchen products are driving the step-up change and defining the emerging opportunities in this dynamically evolving space.

In line with its track record of continuous innovation and product development, the Company's R&D initiatives are focused on creating cutting edge products that are in sync with the emerging trends.

During the year the Company expanded its product portfolio with the launch of 20+ new range of innovative and segment-specific products, besides refreshes with functional and aesthetic improvements to a large number of products across categories.



Research & Development Facility



BGMAL's pioneering journey

At a time when Stoves in general were made from wrought iron carrying with it the hazards of toxic fumes while cooking, Butterfly launched the Stainless Steel range of LPG Stoves in 1986, an innovative product in the kitchen appliances space.

Butterfly was the first in India to get the BEE GREEN LABEL Certification with a 2 Star Rating from the Bureau of Energy Efficiency for Minimum 68% Thermal Efficiency for LPG Stoves in 2005. We have not only helped our customers to save cost by being more fuel efficient, we have contributed to large savings to the Country's exchequer by our fuel efficient stoves, while protecting the environment and reducing carbon footprint.

We were also the first kitchen appliances brand in India to receive the ISO-9001 certification for the manufacture & supply of LPG Stoves, Mixer Grinders & Table-top Wet Grinders. The new concept of a 3-conical stone technology in Table Top wet Grinders was another innovation from Butterfly.

The Indian Standards Organization (ISI) raised the benchmark thermal efficiency of LPG stoves from 50% to 68% and later to 72% after we successfully demonstrated our quality standards.

Flasks was another segment which we transformed. Our Stainless Steel flasks introduced in 1989 withstood the rigorous testing for heat retention conducted deep underground in a Mine in the UK. The results were amazing. The Butterfly flasks managed to retain the heat for more than 72 hours unlike conventional flasks that could retain heat for just 8 hours. Another industry first from Butterfly!

**A track record
of continuous
innovation and
new product
development
every year.**

**The Butterfly
trust of
Quality &
Durability.**

**Ranked
No.1**

**in India for SS LPG
Stoves & Table Top
Wet Grinders**

**1185 +
SKU's**

When most believed that making Kitchen Appliances that endure for ages does not make business sense, we believed otherwise. We believed in innovating and designing products that are 'Good for a lifetime'. Be it the iconic steel tumbler, our first product or our pioneering kitchen appliances that have set benchmark standards in the industry.

At BGMAL, our wide range of kitchen appliances made from the highest quality materials and advanced processes come with the Butterfly guarantee of Quality and Durability. A guarantee that has ensured a strong customer loyalty, straddling generations.

TWG – Celestra

TWG Celestra is an aesthetically designed Table-Top Wet Grinder, with unique features that was launched during the year under the Butterfly brand. In line with BGMAL's focus on quality and durability, Celestra is provided with food grade stainless steel drum and ABS Body, with a dual wiper for faster and even grinding. The Motor is equipped with a Over Load Protector and a two-way ventilation system which ensures longer motor life, while providing high efficiency and low power consumption.




**500 +
Distributors**

**25,000 +
Retailer
outlets**

**Among
Top 3**

in India in
Domestic Kitchen
Appliances

Our products conform to the highest standards in Quality and Reliability with Certifications from Statutory Boards across various countries.

- 
- ISI Certification from the Bureau of Indian Standards
 - Quality Control Certificate by the Department of Industries and Commerce
 - CE certified for conforming to European IEC Standards.
 - ROHS Certified for restriction on Hazardous Substances. by the Department of Industries and Commerce
 - GSO Certified for Gulf Standard Organisation.
 - ESMA Certified Emirates Authority for Standardisation
 - Spring Singapore Enabling Enterprise - Safety approval from the Ministry of Trade & Industry, Singapore.

Transformation through a goal-driven people force.

People are valued as the greatest asset at BGMAL and in line with this, a progressive people policy is embedded in the Company's work culture driven by its core values of Trust, Transparency, Honesty, Sincerity and Accountability.

The diverse and inclusive people force comprises a significant percentage of women from the semi-urban neighbourhoods near the Company's Manufacturing Plants, who have been empowered by their employment, resulting in social change and upliftment.

At BGMAL, employee welfare and safety form an integral part of the people policy of the Company.

To mitigate the Covid related problems, supportive relief measures centred on health and safety was provided to employees.

A cohesive and collaborative team culture, with the Management and employees working in tandem for the growth of the Company, ensures amicable industrial relations at all Plants. The Company strongly believes that people are pivotal for building a great organisation.

To unlock the potential in its people resource and foster a culture of learning, the Company provides employees opportunities for growth and career advancement through

training platforms, skill development programmes, capability building workshops and meritocracy based remuneration and role upgradation.

Various programmes were rolled out during the year to accelerate the migration to a digitally driven ecosystem and build a future-ready people force.

Despite the challenges of disrupted operations due to the reemergence of the pandemic, the Company continued to set record levels in productivity and performance, with resilient, goal-driven teams, stretching limits to transform and transcend, in pursuit of greater goals.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. P. M. Murty (appointed w.e.f 1 st April, 2022)	Chairman & Independent Director
Mr. Rangarajan Sriram (appointed w.e.f 30 th March, 2022)	Managing Director
Mr. M. Padmanabhan	Independent Director
Mr. A. Balasubramanian	Independent Director
Mr. G. S. Samuel	Independent Director
Mr. T. R. Srinivasan	Independent Director
Ms. Maheshwari Mohan	Independent Director
Ms. Smita Anand (appointed w.e.f 1 st April, 2022)	Independent Director
Mr. P. R. Ramesh (appointed w.e.f 1 st April, 2022)	Independent Director
Mr. Shantanu Khosla (appointed w.e.f 30 th March, 2022)	Non Executive, Non Independent Director
Mr. Mathew Job (appointed w.e.f 30 th March, 2022)	Non Executive, Non Independent Director

CHIEF FINANCIAL OFFICER

Mr. R. Nagarajan

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Priya Varshinee V M

REGISTERED OFFICE

143, Pudupakkam Village,
Vandalur-Kelambakkam Road, Kelambakkam - 603103.
Chengalpattu District, Tamil Nadu
CIN: L28931TN1986PLC012728
Phone: 044-47415500
Email: gmal@butterflyindia.com
Website: www.butterflyindia.com

CORPORATE OFFICE

E-34, Second Floor,
Rajiv Gandhi Salai, Egattur Village,
Navalur- 600130,
Chengalpattu District, Tamil Nadu
Phone: 044-49005154/180

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

COST AUDITORS

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

BANKERS

State Bank of India

IDBI Bank Limited

IndusInd Bank Limited

South Indian Bank Limited.

REGISTRAR AND SHARE TRANSFER AGENTS

GNSA Infotech Private Limited,
STA Department, F-Block, 4th Floor,
115, Nelson Manickam Road,
Aminthakarai, Chennai – 600029
Phone: 044-42962025
Email: sta@gnsaindia.com

BOARD OF DIRECTORS



P. M. MURTY
DIN: 00011179
Independent Director



Mr. P. M. Murty joined the Board on 1st April, 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 30th March, 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 30th January, 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 14th November, 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 11th May, 2012. He is a qualified Chartered Accountant with 2 decades of experience in Banking, Credit, Forex with premier Banks in the Country.



T. R. SRINIVASAN
DIN: 00367302
Independent Director



Mr. T. R. Srinivasan joined the Board on 1st June, 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 20th August, 2015. She is a practising lawyer specialising in Civil, Corporate, IPR and Family Law. She is also an academican 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 1st April, 2022. She holds an MBA degree in Human Resources from Allahabad University. She has over thirty years of experience, of which over fifteen years were as a CEO in leading global management consulting and human resources firms in India, Middle East, China and across Asia Pacific. Ms. Smita Anand has also served as the Managing Director - Leadership Consulting India and was Asia Head at Korn Ferry's Board and CEO, Succession Solutions.



P. R. RAMESH
DIN: 01915274
Independent Director



Mr. P. R. Ramesh joined the Board on 1st April, 2022. A graduate in Commerce and a Fellow Member of the Institute of Chartered Accountants of India ('ICAI'), he comes with more than 40 years of experience in client service across a wide industry spectrum. Mr. Ramesh served as Director of Deloitte & Touche Assurance & Enterprise Risk Services India Private Limited and was also on the Deloitte Global Board and Deloitte Asia Pacific Board. Presently he is on the Boards of a few other listed companies viz., Nestle India Limited, Cipla Limited, The Housing Development Finance Corporation Limited and Crompton Greaves Consumer Electricals Limited.



SHANTANU KHOSLA
DIN: 00059877
Non Executive,
Non Independent Director



Mr. Shantanu Khosla joined the Board on 30th March, 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 Managing Director of Crompton Greaves Consumer Electricals Ltd [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, three-pronged mantra, "build the business, foster leaders, and grow sustainability."

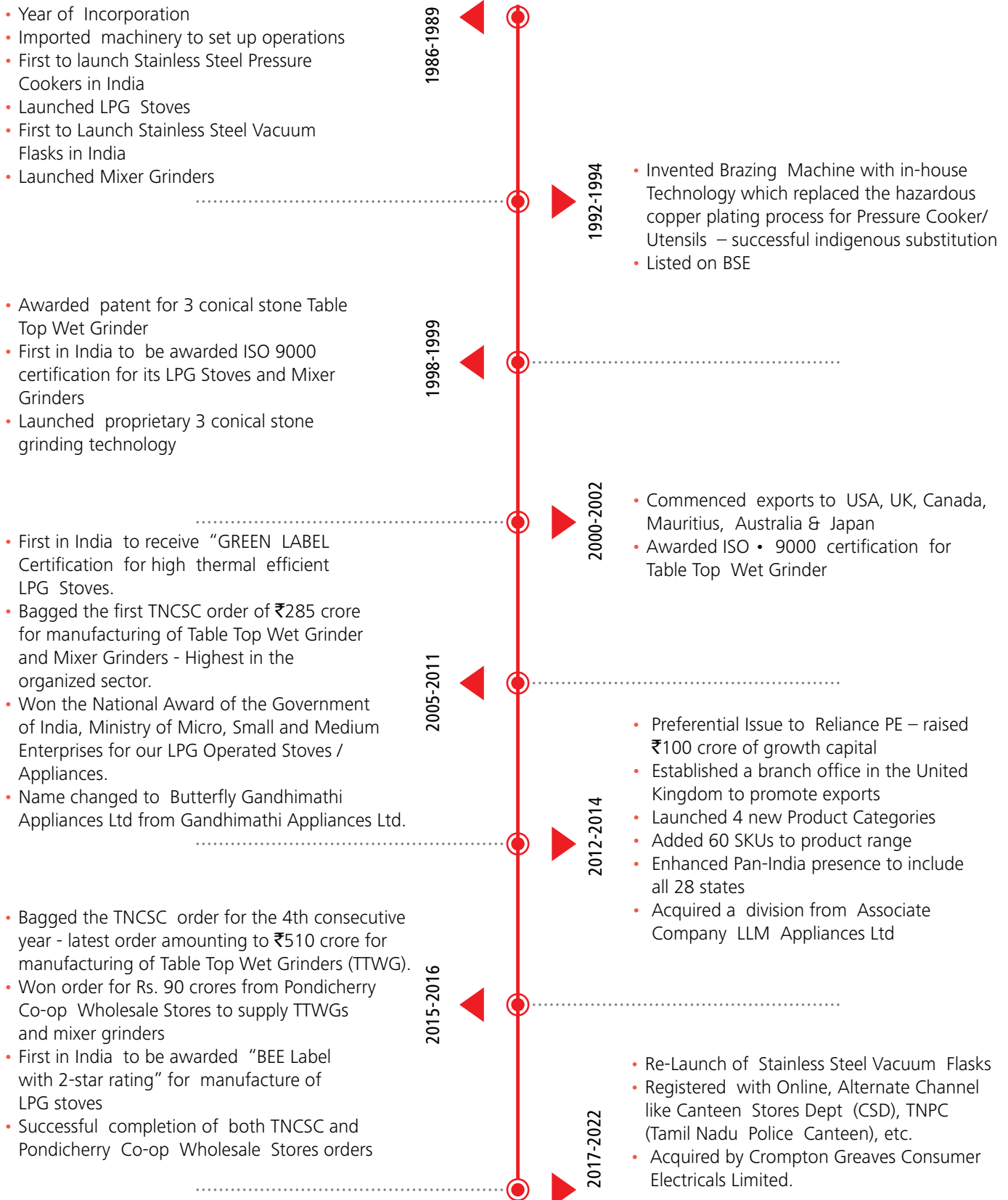


MATHEW JOB
DIN: 02922413
Non Executive,
Non Independent Director



Mr. Mathew Job joined the Board on 30th March, 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 Ltd, 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. Mr. Mathew Job has been working with Crompton as Chief Executive Officer since January 2016 and as Executive Director since January 2021.

Milestones



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirty Fifth Annual General Meeting (the "AGM") of the Members of Butterfly Gandhimathi Appliances Limited ("the Company") will be held on Thursday, 14th July, 2022 at 3.00 P.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business. The venue of the AGM shall be deemed to be the Corporate Office of the Company at E-34, Second Floor, Rajiv Gandhi Salai, Egattur Village, Navalur – 600 130, Chengalpattu District.

ORDINARY BUSINESS

1. **To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Report of the Board of Directors and the Auditors thereon.**

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

"**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31st March, 2022, the Report of the Board of Directors and the Auditors thereon, be and are hereby approved and adopted."

2. **Confirmation of the payment of Interim Dividend**

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

"**RESOLVED THAT** Interim Dividend of ₹ 3.00/- per equity share declared by the Board of Directors on 27th October, 2021 on the equity shares of ₹ 10/- each of the Company and paid to those equity shareholders whose names appeared in the Register of Members as on 5th November, 2021 be and is hereby confirmed as final dividend for the Financial Year 2021-22."

3. **Re-appointment of M/s. ASA & Associates LLP, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration**

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

"**RESOLVED THAT** pursuant to Sections 139 and 142 and other applicable provisions, if any of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) and based on the recommendation of the Audit Committee and the Board, the consent of the members be and is hereby accorded for re-appointment of M/s. ASA & Associates LLP, Chartered Accountants (FRN 009571N/ N500006)

as the Statutory Auditors of the Company to hold such office for a term of five consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting at a remuneration of ₹ 22.00 Lakhs (Rupees Twenty Two Lakhs only) plus reimbursement of out of pocket expenses and applicable taxes to conduct the audit for the financial year 2022-23 and the Board of Directors of the Company be and are hereby authorised to increase and pay such Statutory Audit fees as recommended by the Audit Committee and as they may deem fit for the remaining tenure of their appointment.

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 acts, deeds, matters & things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS

4. **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 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) the members hereby approve and ratify the remuneration of ₹ 1.75 Lakhs (Rupees One Lakh Seventy Five Thousand only) plus taxes and reimbursement of out of pocket expenses, if any at actuals payable to M/s. S. Mahadevan & Co., Cost Accountants having Firm Registration Number 000007, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023.

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 acts, deeds, matters & things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Alteration of Articles of Association of Company**

To consider and if thought fit to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 5, 14, 15 and other applicable provisions if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder or any statutory modifications or re-enactment thereof and all other applicable laws for the time being in force, if any, clauses 129 and 130 of the Articles of Association of the Company ("AoA") be and are hereby deleted and the following articles be and are hereby substituted in their place and stead:

129. (a) The remuneration of Directors including Managing Director and/or Whole-time Director may be paid in accordance with the applicable provisions of the Act.
- (b) A Director (other than the Managing Director or Whole-time Director) may receive remuneration by way of fee for attending the meetings of the Board or Committees not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committees of the Board thereof attended by him and/or commission in accordance with the provisions of the Act.
130. In addition to the remuneration payable to Directors pursuant to Clause 129 of these Articles, the Director(s) shall be reimbursed actual travelling, conveyance expenses and any other expenses incidental thereto incurred for attending the Meetings of the Board or any Committee thereof.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 5, 14 and 15 and other applicable provisions if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder or any statutory modifications or re-enactment thereof and all other applicable laws for the time being in force, if any, clause 131 of the Articles of Association of the Company be and is hereby deleted.

RESOLVED FURTHER THAT the rest of the clauses after removal of article 131 of the Article of Association be accordingly renumbered.

RESOLVED FURTHER THAT the Board of Directors or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be required for giving effect to this Resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

6. Approval for the Payment of Commission to the Non-Executive Independent Directors 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 197 and Section 198 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the Non-Executive Independent Directors of the Company or some or any of them be paid commission in such amounts or proportions as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for the relevant financial year as computed in the manner laid down in Section 198 of the Act, in addition to the sitting fees and reimbursement of expenses for attending the meeting of the Board of Directors/Committees thereof and such payments shall be made in respect of the profits of the Company effective from Financial Year 2022-23.

RESOLVED FURTHER THAT any of the Directors of the Company (including its Committee thereof) and/or Key Managerial Personnel of the Company, be and are hereby severally authorized to sign and file such forms or documents as may be required to be filed with Ministry of Corporate Affairs or Registrar of Companies or such other authority as may be required, to settle any doubt or question arising with regards to the aforesaid payment and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to the aforesaid resolution."

By Order of the Board

For **BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

PRIYA VARSHINEE V M

Company Secretary &

Compliance Officer

Membership No.: A53693

Place : Chennai

Date : 18th June, 2022

Registered Office:

143, Pudupakkam Village,
Vandalur-Kelambakkam Road,
Kelambakkam – 603103
Chengalpattu District

IMPORTANT NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19", General Circular no. 20/2020 dated 5th May, 2020, General Circular nos. 02/2021 and 21/2021 dated 13th January, 2021 and 14th December, 2021 respectively and General Circular no.02/2022 dated 5th May, 2022 in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') which set out details relating to Special Business at the Annual General Meeting (AGM) is annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
4. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to evoting@akjainassociates.com with a copy marked to 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.
5. Shareholders holding shares in physical form are requested 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 our RTA, GNSA Infotech India Private Limited at Nelson Chambers Block F, 4th 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, GNSA Infotech India Private Limited at Nelson Chambers Block F, 4th 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.
6. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialized 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, Members 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 at www.butterflyindia.com and on the website of the Company’s Registrar and Transfer Agents, GNSA Infotech Private Limited (“RTA”) at <http://www.gnsaindia.com/share-registry-operations.php>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
7. SEBI vide its notification dated 25th January, 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 RTA, for assistance in this regard.
 8. 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.
 9. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members 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 Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company’s website 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.
 10. 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.
 11. 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 upto the date of AGM, i.e Thursday, 14th July, 2022 Members seeking to inspect such documents can send an email to cs@butterflyindia.com
 12. 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.
 13. Notice of the AGM along with the Annual Report 2021-22 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 2021-22 will also be available on the Company’s website www.butterflyindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL <https://www.evoting.nsdl.com>.
 14. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.
 15. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the

prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the DPs (if shares held in dematerialized form) and the Company/ RTA (if shares are held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to cs@butterflyindia.com.

16. Members may note that the VC/OAVM facility provided by NSDL, allows participation of at least one thousand members on a first-come-first-served basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come-first-served basis.
17. 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 of Friday, 8th July, 2022. 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 35th AGM. A Member can opt for only one mode of voting i.e. either through remote e-voting or

vote 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.

18. 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. 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.
19. The remote e-voting period commences on Monday, 11th July 2022 (09.00 a.m. IST) and ends on Wednesday, 13th July 2022 (5.00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on Friday, 08th July 2022 i.e. 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 cast 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 during the AGM.

Instructions to Members with regard to remote e-voting, attending and e-voting at the 35th AGM of the Company held through Video Conferencing ('VC') other permitted Audio Visual Means ('OAVM') as an e-AGM

NSDL INSTRUCTIONS

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 11th July 2022 at 09.00 A.M and ends on Wednesday, 13th July 2022 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 08th July 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 08th July 2022.

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 NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com 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 e-Voting service provider i.e. NSDL 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 & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (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 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 & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	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. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on 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 & voting during the meeting.

Important note:

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

- Visit the e-Voting website of NSDL. Open 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 shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve

your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders 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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.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, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of 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 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.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting@akjainassociates.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI 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.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website

will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to 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 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 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/ shareholders, 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.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. 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 link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.

5. Shareholders 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 cs@butterflyindia.com. The same will be replied by the company suitably.

21. Procedure to raise questions/seek clarifications with respect to Annual Report:

As the AGM is being conducted through VC/OAVM for the smooth conduct of proceedings of the AGM, Members who would like to express their views/ ask question as a speaker at the Meeting may pre-register themselves by sending request from their registered e-mail address mentioning their name DP ID and Client ID/folio number, PAN, email ID and mobile number at cs@butterflyindia.com from 04th July, 2022 (9.00 a.m. IST) to 11th July, 2022 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will 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.

Members are encouraged to submit their questions in advance with regard to financial statements or any other matter to be placed at the 35th AGM from their registered e-mail address, mentioning their name, DP ID and client ID/folio number and mobile number to reach the Company's email address at cs@butterflyindia.com before 5.00 p.m (IST) on or before 11th July 2022, such questions by the Members shall be suitably replied to by the Company.

22. During the 35th AGM, the Chairman shall, after response to the questions raised by the members in advance or as a speaker at the 35th AGM, formally propose to the members participating through VC/ OAVM facility to vote on the resolutions as set out in the Notice of the 35th AGM and announce the start of the casting of vote through the e-Voting system. After the members participating through VC/ OAVM facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 35th AGM.
23. Mr.Balu Sridhar Company Secretary (Membership No.F5869), Partner of M/s. A K & Jain Associates, Practising Company Secretaries, (C.P.No 3550) has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

24. The Scrutinizer shall after the conclusion of e-Voting at the 35th AGM, first download the votes cast at the 35th AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him within 2 working days who shall then countersign and declare the result of the voting forthwith.
25. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.butterflyindia.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The Results shall also be immediately forwarded to the BSE Limited, and National Stock Exchange India Limited.
26. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s).
- 27. Process for registration of email id for obtaining Annual Report and user id/password for e-voting and up-dation of bank account mandate for receipt of dividend :**

Physical Holding Send a request to the Registrar and Transfer Agents of the Company sta@gnsaindia.com, providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.

Following additional details need to be provided in case of updating Bank Account Details:

- a) Name and Branch of the Bank in which you wish to receive the dividend,
- b) the Bank Account type,
- c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions
- d) 9 digit MICR Code Number, and
- e) 11 digit IFSC Code
- f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.

Demat Holding Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 & REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As required by Section 102 of the Companies Act, 2013 ("Act") & Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying Notice.

Item No. 3

Re-appointment of M/s. ASA & Associates LLP, Chartered Accountants, Statutory Auditors of the Company and to fix their remuneration

The Members at the Thirtieth Annual General Meeting ("AGM") of the Company held on Thursday, 7th September, 2017, had approved the appointment of M/s ASA & Associates LLP ("ASA"), Chartered Accountants (Firm Registration No. 009571N/ N500006), as Statutory Auditors of the Company, to hold office till the conclusion of the 35th AGM.

M/s. ASA & Associates LLP, Chartered Accountants will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014. The present remuneration of M/s. ASA & Associates LLP, Chartered Accountants for conducting the audit for the financial year 2021-22, as approved by the Members, is ₹ 18.00 Lakhs plus taxes as applicable, and reimbursement of out-of-pocket expenses incurred.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of M/s. ASA & Associates LLP, Chartered Accountants as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 40th AGM. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of M/s. ASA & Associates LLP, Chartered Accountants for the financial year 2022-23 as set out in the Resolution relating to their appointment, i.e. ₹ 22.00 Lakhs (excluding reimbursement of out of pocket expenses and applicable taxes).

The Committee considered various parameters like industry experience, competency of the audit team, efficiency in

conduct of audit, independence, market standing of the firm, clientele served, technical knowledge etc., and found M/s. ASA & Associates LLP, Chartered Accountants to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. ASA have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

ASA is a full service firm of corporate strategists, accountants, tax advisory experts and financial and marketing analysts. With an experience of over 31 years of value added expertise, ASA develops, implements and monitors entry strategies to India. It has a strong team of over 750 in-house professionals across offices in Gurgaon, Ahmedabad, Bengaluru, Chennai, Hyderabad, Kochi, Mumbai and New Delhi

ASA has affiliations in over 39 countries and is a member of numerous trade chambers and also preferred consultants of the US Commercial office, the Swiss chamber, German chamber, Japan Trade Organisation and UK Trade Offices and has prepared industry reports and managed visiting delegations.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the proposed resolution as set out at Item No. 3 of the Notice.

The Board of Directors recommends the resolution proposing the re-appointment of M/s. ASA & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company as set out in Item No. 3 for approval of the members by as an **Ordinary Resolution**.

Item No. 4

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

The Board of Directors of the Company, on the recommendation of the Audit Committee, had approved the appointment of M/s. S. Mahadevan & Co., Cost Accountants (Firm Regn.No.000007) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March 2023.

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 has to be ratified by the members of the Company.

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out in Item No.4 of the Notice for ratification of the remuneration amounting to ₹1,75,000/- plus applicable taxes, travel and out of pocket

expenses payable to the Cost Auditors for the financial year ending on 31st March, 2023, as recommended by the Audit Committee and approved by the Board of Directors of the Company.

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 ratification of remuneration payable to Cost Auditors as set out in Item No. 4 for approval of the members by way of an **Ordinary Resolution**.

Item No 5

Alteration of Articles of Association of Company

Clauses 129 to 131 of the Articles of Association of the Company ("AoA") provide for remuneration of Directors of the Company, and Clause 131 was amended on 11th August, 2011 to give effect to the Shareholders' Agreement executed between the Company and Reliance Alternative Investments Fund – Private Equity Scheme-I ("Reliance") with Reliance being the investor, and remuneration of the Directors was subject to investor approval. Please note that Reliance has exited the Company on 30th September, 2019 and is not an investor of the Company anymore.

Further the said Articles of Association contains certain provisions of Companies Act, 1956.

In view of the above, the Board of Directors of the Company have approved and recommended amendment in the clauses 129 and 130 and deletion of clause 131 of the Articles of Association of the Company and align the provisions pertaining to payment of managerial remuneration with the provisions of the Companies Act 2013 read with the Rules thereof.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, any alteration of the Articles of Association of the Company requires approval of the Members of the Company by means of a special resolution. The Board recommends the resolution for the approval of the members.

A copy of the proposed amended Articles of Association (AOA) is available for inspection in physical by the members at the registered office of the Company during normal business hours on all working days from the date of dispatch of the notice, up to the last date of voting i.e. Wednesday, 13th July, 2022 and is also available on the website of the Company at www.butterflyindia.com

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the proposed resolution as set out at Item No.

5 of the Notice.

The Board of Directors recommends the resolution proposing for alteration of Articles of Association of the Company as set out in Item No. 5 for approval of the members by way of a **Special Resolution**.

Item No 6

Approve for the Payment of Commission to the Non-Executive Independent Directors of the Company

Considering the enhanced role and responsibilities of the Directors in the current Corporate Governance regime as also provided under the Companies Act, 2013, it is proposed to pay commission to Non-Executive Independent Directors of the Company.

As recommended by the Nomination & Remuneration Committee & Board it is proposed to pay commission to the Non-Executive Independent Directors of the Company not exceeding one percent per annum of the Net Profits of the Company. This remuneration will be distributed amongst all or some of the Non - Executive Independent Directors in accordance with the directions given by the Board.

The quantum of commission payable shall be in accordance with the Companies Act, 2013 and Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Nomination and Remuneration Policy, including the remuneration guidelines of the Company.

Further, Regulation 17(6) of the Listing Regulations authorises the Board to recommend all fees and compensation, if any, paid to Non-Executive Independent Directors and the same would require approval of members in general meeting.

None of the Directors or Key Managerial Personnel or their relatives, except all the Non-Executive Independent Directors may be deemed interested in the proposed resolution as set out at Item No. 6.

The Board of Directors recommends the resolution proposing for Payment of Commission to the Non-Executive Independent Directors of the Company as set out in Item No. 6 for approval of the members by way of an **Ordinary Resolution**.

By Order of the Board

For **BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

PRIYA VARSHINEE V M

Company Secretary &

Compliance Officer

Membership No.: A53693

Place : Chennai
Date : 18th June, 2022

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

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

Your Directors have pleasure in presenting this Thirty Fifth Annual Report together with the Audited Statement of Accounts for the financial year ended on 31st March, 2022.

FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March 2022 is summarised below:

(₹ in lakhs)

	Financial Year ended on	
	31 st March, 2022	31 st March, 2021
Revenue from Operations (Net)	1,00,530.40	86,963.81
Other Income	194.22	158.05
Operating Expenditure	94,927.89	79,269.05
Operating Profit before Depreciation and Finance Cost	5,602.51	7,694.76
Profit before Depreciation, Finance cost and Exceptional Items	5,796.73	7,852.81
Finance Cost	1,113.44	1,462.78
Depreciation	1,546.49	1,555.17
Profit before Exceptional Items and Tax	3,136.80	4,834.86
Exceptional Items	660.48	-
Profit before Tax	2,476.32	4,834.86
Income Tax/Deferred Tax	863.64	1,219.05
Profit after Tax	1,612.68	3,615.81
Other Comprehensive Income net of tax	24.84	51.98
Total Comprehensive Income for the year	1,637.52	3,667.79

PERFORMANCE AT A GLANCE

During the year under review, the total revenue amounted to ₹ 1,00,530.40 Lakhs as against ₹ 86,963.81 Lakhs in the previous year.

EBITDA for the year stood at ₹ 5,136.25 Lakhs as against ₹ 7,852.81 Lakhs during the previous year. EBITDA margins for the year stood at 5.11 % as against 9.03 % for previous year.

Depreciation for the year stood at ₹ 1,546.49 Lakhs as against ₹ 1,555.17 Lakhs recognized during the Previous Year.

Interest expense for the year stood at ₹ 1,113.44 Lakhs as against the previous year of ₹ 1,462.78 Lakhs.

Profit before Tax was ₹ 2,476.32 Lakhs compared to ₹ 4,834.86 Lakhs, during the Previous Year.

DIVIDEND

The Board has declared and paid the following interim dividend on shares of Face Value ₹ 10/- each

Date of Board Meeting	27 th October, 2021
Dividend Rate per Share	₹ 3.00 per share of face value ₹ 10/- each
Record Date	5 th November, 2021

Note:

The Board has recommended the same to be confirmed as Final Dividend for the Financial Year 2021-22.

Your Company has formulated a Dividend Distribution Policy in compliance with Regulation 43A of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 ("Listing Regulations"), copy of which is available on the website of the Company at www.butterflyindia.com.

BUSINESS PERFORMANCE

The year began with the pandemic induced lockdown disrupting operations, and bringing the market to a standstill. The adverse impact of the challenging business environment was reflected in the less than targeted performance of the Company in the first quarter of the year. However, strategic

measures were deployed to resume operations under a stringent safety protocol to meet the burgeoning market demand from the second quarter onwards. Additionally, 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. During Q2 the Company's performance improved and achieved the sale of ₹ 403.12 crores. During the year your Company achieved the Sale of ₹ 1,005.20 Crores against ₹ 869.64 Crores during the Previous year.

SHARE CAPITAL

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

RESERVES

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

CHANGE IN MANAGEMENT CONTROL

A Share Purchase Agreement ("SPA") between your Company, along with certain members of the Promoter and Promoter group of the Company and Crompton Greaves Consumer Electricals Limited ("Crompton") ("Acquirer Company") was executed on 22nd February, 2022.

Pursuant to the SPA, Crompton has acquired 98,33,754 equity shares representing 55.00% of the equity share capital of the Company from the Promoters & Members of Promoter Group through the stock exchange settlement process on 25th March, 2022 as follows:

S. No.	Name of Promoter	No. of Shares	% of Shares
1.	Mr. V. M. Lakshminarayanan	6,91,776	3.87%
2.	Mr. V. M. Balasubramaniam	6,91,776	3.87%
3.	Mr. V. M. Seshadri	6,91,776	3.87%
4.	Mr. V. M. Gangadharam	6,91,776	3.87%
5.	Mr. V. M. Kumaresan	6,91,776	3.87%
6.	M/s. LLM Appliances Private Limited	28,67,774	16.04%
7.	M/s. V. M. Chettiar & Sons India LLP	35,07,100	19.62%
TOTAL		98,33,754	55.00%

Subsequent to the acquisition of 55% of equity shares of the Company, Crompton has acquired sole control over the Company and has become a Promoter of the Company.

With a brand legacy of 80+ years, Crompton Greaves Consumer Electricals Limited is India's market leader in the category of fans and residential pumps.

The Open Offer is being made by Crompton to the Public Shareholders in accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India ("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 (Indian Rupees Ten only) each ("Equity Shares") representing 26.00% of the voting rights of the Company from the Public Shareholders at a price of ₹ 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only). The Draft Letter of Offer has been filed with the Securities Exchange Board of India ("SEBI") on 4th March, 2022. SEBI has given final observations on the draft Letter of Offer on 10th May, 2022. Pursuant to this, Crompton will further progress on the open offer process.

Further, a request letter from the Promoters & Members of Promoter Group seeking reclassification from the 'Promoter and Promoter Group' category to the 'Public' category in accordance with the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was received on 30th March, 2022 and taken on record by the Board of Directors on 1st April, 2022. The said letter shall be considered for further action by the Board of Directors in accordance with Regulation 31A(10) and other applicable provisions of the Listing Regulations once the intention of the existing Promoters to reclassify is disclosed in the Letter of Offer to be issued by Crompton Greaves Consumer Electricals Limited under the applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company's Board comprises eleven members as on the date of this Report.

Mr. Rangarajan Sriram (DIN:09550640) is the Managing Director, Mr. P. M. Murty (DIN:00011179), Mr. M. Padmanabhan (DIN:00101997), Mr. A. Balasubramaniam (DIN:00490921), Mr. G. S. Samuel (DIN:05284689), Mr. T. R. Srinivasan (DIN:00367302), Ms. Maheshwari Mohan (DIN:07156606), Ms. Smita Anand (DIN:00059228) & Mr. P. R. Ramesh (DIN:01915274) are Independent Directors of the Company. Mr. Shantanu Khosla (DIN:00059877) and Mr. Mathew Job (DIN:02922413) are Non-Executive, Non-Independent Directors. The following changes took place during the year under review:-

a) Appointments

- Mr. P. M. Murty (DIN: 00011179) was appointed as an Additional Independent Director in the capacity of Chairman of the Company with effect from 1st April, 2022 in accordance with the provisions of Sections 149, 150, 152 & 161 of the Companies Act, 2013 subject to approval of the Shareholders.
- Mr. Rangarajan Sriram (DIN: 09550640) was appointed as an Additional Director and he has been designated as the Managing Director of the Company with effect from 30th March, 2022, in accordance with the provisions of Sections 152, 161, 196 and 203 of the Companies Act, 2013 subject to approval of the Shareholders.
- Mr. Shantanu Khosla (DIN: 00059877) was appointed as an Additional Non-Executive, Non-Independent Director of the Company with effect from 30th March, 2022, in accordance with the provisions of Sections 152 and 161 of the Companies Act, 2013 subject to approval of the Shareholders.
- Mr. Mathew Job (DIN: 02922413) was appointed as an Additional Non-Executive, Non-Independent Director of the Company with effect from 30th March, 2022, in accordance with the provisions of Sections 152 and 161 of the Companies Act, 2013 subject to approval of the Shareholders.
- Mr. P. R. Ramesh (DIN: 01915274) was appointed as an Additional Non-Executive, Independent Director of the Company with effect from 1st April, 2022 in accordance with the provisions of the Sections 149, 150, 152 and 161 of the Companies Act, 2013 subject to approval of the Shareholders.
- Ms. Smita Anand (DIN: 00059228) was appointed as an Additional Non-Executive, Independent Director of the Company with effect from 1st April, 2022 in accordance with the provisions of the Sections 149, 150, 152 and 161 of the Companies Act, 2013 subject to approval of the Shareholders.
- Mr. V. M. Gangadhram (DIN:00106466) Whole Time Executive Director of the Company was reappointed at Annual General Meeting held on 29th July, 2021 for a period of 5 years from 1st October, 2021 to 30th September, 2026.
- Mr. V. M. Kumaresan (DIN:00835948) Whole Time Executive Director (Technical) of the Company was

reappointed at Annual General Meeting held on 29th July, 2021 for the period of 5 years from 1st June, 2021 to 31st May, 2026.

- Ms. Priya Varshinee V M was appointed as the Deputy Company Secretary & Compliance Officer with effect from 30th June, 2021, subsequent to the demise of Mr. K. S. Ramakrishnan, Company Secretary and General Manager-Legal on 18th May, 2021.
- Change in Designation Ms. Priya Varshinee V M as Company Secretary & Compliance Officer with effect from 11th May, 2022.

b) Resignations

- Mr. V. M. Lakshminarayanan, Chairman & Managing Director; Mr. V. M. Balasubramaniam, Vice Chairman & Managing Director; Mr. V. M. Seshadri, Managing Director; Mr. V. M. Gangadharam, Executive Director; Mr. V. M. Kumaresan, Executive Director – Technical, resigned from the Company pursuant to Share Purchase Agreement entered between your Company with certain Member of Promoter & Promoter Group and Crompton Greaves Consumer Electricals Limited (CGCEL) of the Company with effect from 30th March, 2022.
- Mr. K. Ganesan (DIN:00102274), Independent Director of the Company resigned from the Company owing to his ill-health and advancing age with effect from 3rd March, 2022.

The Board expresses its appreciation for the valuable guidance and services rendered by them during their tenure as Directors of the Company.

The Board has established Committees as a matter of good corporate governance practice and as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committees are Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Shareholders' Relationship & Share Transfer Committee, Risk Management Committee. The composition, terms of reference, number of meetings held and business transacted by the Committees are given in the Corporate Governance Report.

BOARD DIVERSITY

Your Company recognizes and embraces the importance of a diverse board in its success. Your Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender that will help us retain our competitive advantage.

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors' comments under the head Management Discussion and Analysis, which forms a part of this report, are restricted to the areas which are relevant to the current scenario of the Company and outlook as per **Annexure I**.

CREDIT RATING:

CRISIL has provided the Company's credit rating for its bank facilities as follows:

Long Term Rating	CRISIL A-/Stable
Short Term Rating	CRISIL A2+

LOANS, GUARANTEES AND INVESTMENTS

There were no particulars of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 for the Financial Year 31st March, 2022.

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 have occurred between the end of the financial year of the Company i.e. 31st March, 2022 and the date of the Board Report.

HOLDING COMPANY

Pursuant to Section 2(87)(ii) of Companies Act, 2013, Crompton Greaves Consumer Electricals Limited (CGCEL) has become the Holding Company with effect from 30th March, 2022.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company doesn't have any Subsidiaries, Associates or Joint Venture etc.

DIRECTORS RESPONSIBILITY STATEMENT

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Directors confirm that,

- (i) In the preparation of the annual accounts for the year ended 31st March 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- (ii) the Directors had selected such accounting policies and applied them 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 31st March, 2022, and of the profit and loss of the Company for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts of the Company on a 'going concern' basis;
- (v) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are reasonably adequate and operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are reasonably adequate and operating effectively.

RELATED PARTY TRANSACTIONS AND PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/arrangements/transactions entered by your Company during the financial year 2021-22 with related parties were in the ordinary course of business and on an 'arm's length' basis. The Company had not entered into any contract/arrangement/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Company enjoys distinct advantages in the form of competitive prices, product quality, economy in transportation cost and lower inventories by virtue of the existing related party transactions.

All Related Party Transaction along with the Statement specifying the nature, value and terms and conditions of the transactions were presented before the Audit Committee and the Board for its consideration and approval.

There were no materially significant transactions with related parties (i.e. transactions exceeding 10% of the annual standalone turnover) 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 Companies Act, 2013 and Rule 8(2) of the Companies (Accounts), Rules 2014 in Form AOC-2 is not applicable.

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 at <https://www.butterflyindia.com/investor-relations/>

INTERNAL FINANCIAL CONTROLS

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 Auditor 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 Auditor. 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.

STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS OF THE COMPANY

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that they meet with the criteria of independence laid down in Section 149(6) of the Act and Rules made thereunder and also Regulation 16(1) (b) of the SEBI (LODR) Regulations 2015. Further they have also 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 the duties with an objective independent judgement and without any external influence.

The terms and conditions of appointment of the Independent Directors are posted on the Company's website: <https://www.butterflyindia.com/investor-relations>.

A statement regarding the opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year under review has been detailed in the Corporate Governance Report.

APPOINTMENT OF DIRECTORS AND MANAGERIAL PERSONS AND THEIR REMUNERATION

Pursuant to the provisions of Section 178(3) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19(4) read with Schedule II Part-D of SEBI Listing Regulations, 2015, the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director and for evaluating performance of the Directors and Key Management Personnel as well as other employees and, which can be viewed at the Company's website: <https://www.butterflyindia.com/investor-relations/>

KEY MANAGERIAL PERSONNEL (KMP)

In terms of the provisions of Section 2(51) and 203 of the Act, the following managerial personnel are Key Managerial Personnel (KMP) of the Company:

1. Mr. Rangarajan Sriram
Managing Director
"Seconded from the Holding Company"
2. Mr. R Nagarajan
Chief Financial Officer
3. Ms. Priya Varshinee V M
Company Secretary & Compliance Officer

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 forming part of this report are provided as Annexure II in this Annual Report.

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.

EVALUATION OF THE BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and Listing Regulations, the performance evaluation of the Board was

carried out during the year under review. More details on the same are given in the Corporate Governance Report.

FAMILIARIZATION PROGRAM 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 Familiarization 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 and budget and control process of the Company.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has always provided a congenial atmosphere for work to all the employees that is free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without any regard to their caste, religion, colour, marital status and sex. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review there were no cases of sexual harassment received by the Committee.

AUDIT REPORTS AND AUDITORS

Audit Reports

1. The Statutory Auditors' Report for the FY 2021-22 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.
2. The Secretarial Auditors' Report for the FY 2021- 2022 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as Annexure III to the Board's Report. Your Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.
3. The Cost Auditors' Report for the FY 2021-22 does not contain any qualification, reservation or adverse remark.

Auditors

Statutory Auditors

M/s ASA & Associates LLP, Chartered Accountants were appointed as Statutory Auditors of the Company as per Section 139 of the Companies Act, 2013, for a period of 5 years from conclusion of the Thirtieth Annual General Meeting to Thirty Fifth Annual General Meeting. The current term of 5 years will be completed in the ensuing Annual General Meeting.

The Board, on the recommendation of the Audit Committee, had recommended for the approval of the Members, the appointment of M/s ASA & Associates LLP, Chartered Accountants, (Firm Registration Number: 009571N/N500006) as the Auditors of the Company for a second term of five years from the conclusion of the ensuing 35th AGM till the conclusion of the 40th AGM. On the recommendation of the Audit Committee, the Board also recommended for the approval of the Members, the remuneration of M/s ASA & Associates LLP, Chartered Accountants for the financial year 2022-23.

The Company has received a consent letter and eligibility certificate from M/s ASA & Associates LLP, confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

The Auditors have issued an unmodified opinion on audited financial statements of the Company for the year ended 31st March, 2022. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

Cost Auditors

Your Company is required to maintain cost records as specified by the Central Government as per Section 148(1) of the Act and the rules framed thereunder, and accordingly, the Company has made and maintained such cost accounts and records. In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Board on recommendation of the Audit Committee, appointed M/s. S. Mahadevan & Co., (FRN000007), Chennai, being eligible, for conducting the audit of cost records of the

Company for the year 2022-23. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and the rules framed thereunder.

The remuneration payable to Cost Auditors was approved by the Board of Directors on the recommendation of the Audit Committee and in terms of the Act and Rules there under. The Members are therefore requested to ratify the remuneration payable to M/s. S. Mahadevan & Co., as set out in the Notice of the 35th AGM of the Company.

Secretarial Auditors

The Board on recommendation of the Audit Committee has appointed M/s. A. K. Jain & Associates, Company Secretaries, [CP No.3550], Chennai to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2021-22. The Secretarial Audit Report for the financial year ended 31st March, 2022 is annexed to this report as Annexure III. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark Your Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013.

INSIDER TRADING

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, your Company has instituted a comprehensive Code titled as "Code of Conduct for Prevention of Insider Trading" 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.

DISCLOSURES:

Committees of the Board

As on 31st March, 2022, the Board has five committees: the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Shareholders Relationship Committee. During the year, all recommendations made by the committees were approved

by the Board. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

Vigil Mechanism

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, 2015.

The Vigil Mechanism of the Company also incorporates a Whistle Blower 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 Whistle Blower Policy may be accessed on its website at the link <https://www.butterflyindia.com/investor-relations/#policies>

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

Meetings of the Board

The Board met thirteen (13) times during the financial year. The meeting details are provided in the Corporate Governance Report forming part of this Board's Report.

Disclosures under Schedule V(F) of the SEBI (LODR) Regulation 2015

Your Company does not have shares in the demat suspense account or unclaimed suspense account.

Conservation of Energy, Technology, Absorption and Foreign Exchange out go

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 IV of the Directors' Report.

Extract of Annual Return

As per the provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is available on our website at www.butterflyindia.com.

Particulars of Employees

The information as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure V to the Board's Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of 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 at the Registered Office of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to the provisions of Section 135(1) of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee, consisting of four Independent Directors and the Chairman & Managing Director of the Company. The said Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the Company, which has been approved by the Board.

Your Company is committed towards embracing responsibility for its corporate actions and achieve fruitful impact of its business actions not only on its stakeholders, but also the society at large. As per the provisions of the Companies Act, 2013 there was no amount required to be spent on CSR for the financial year 2021-22. Your Company has formed the CSR Committee and the CSR Policy is available on the website of the Company. However, during the year under review, the Company continues to contribute to various initiative for the benefit of the community at large. The company initiated projects in the area of education, environment and community/social development having duration of more than one year. The Company regularly spends significant amounts of money on various activities aimed at serving communities around the factories.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI Listing Regulations, a Business Responsibility Report is attached as Annexure VI of the Directors' Report.

Significant and Material Orders passed by the Regulators or Courts or Tribunals which may impact the going concern status and company's operations in future

There were no significant and material orders passed by the Regulators/Court which would impact the going concern status of the Company and the future operations.

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 FY 2021-22.

Listing with Stock Exchanges

The Company confirms that it has paid the Annual Listing Fees for the FY 2021-22 and FY 2022-23 to both National Stock Exchange of India Limited and BSE Limited, with whom the equity shares of the Company are listed.

SHARE REGISTRAR & TRANSFER AGENT (R&T)

M/s. GNSA Infotech Private Limited the R&T Agent of the Company. Their contact details are mentioned in the Corporate Governance Report.

Others:

- (i) The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Company has not resorted to any buy back of the equity shares during the year under review;
- (iii) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

- (iv) 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; and
- (v) The Company has not issued Sweat Equity Shares to the employees of the Company;

PERSONNEL:

The spirit of trust, transparency and teamwork has enabled the Company to build a tradition of partnership and harmonious industrial relations. Your Directors record their sincere appreciation of the dedication and commitment of the employees at all levels to achieve excellence in all areas of the business.

ACKNOWLEDGMENT

Your Directors take this opportunity to thank the employees at all level, suppliers, distributors, dealers, customers, shareholders, bankers, Government and all other business associates, consultants and all other stake holders for their strong support extended to the Company & the Management.

For and on behalf of the Board

P.M. Murty

Chairman

DIN :00011179

Place: Chennai

Date: 11th May, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Overview

The robust recovery of the global economy in 2021, expanding by 6.1 percent, marked the highest growth rate in four decades, driven by strong consumer spending, uptick in investment and growth in trade volumes touching pre-pandemic levels. The slowdown at the end of 2021 was evident, particularly in major economies, with the resurgence of the virus disrupting operations, the receding support of the monetary and fiscal stimuli and mounting inflationary pressures worsening risks to recovery.

The anticipated revival in growth in the second quarter of 2022 with the ebbing of the virus and the vaccinations providing a safety net, was negated by the emergence of the Omicron variant. The escalation of war between Russia and Ukraine and the resultant spill-over from trade sanctions and the steep escalation in oil and fuel prices further dampened the momentum of recovery, leading to yet another period of major disruptions in commodity markets, global supply chains and tightening of international finance channels.

Global growth, according to the IMF, is estimated to stagnate at 3.6 percent in 2022 and 2023, giving rise to “stagflation” defined as a period of growth stagnation and high inflation.

Beyond 2023, global growth is forecast to slow down to 3.3 percent over the medium term.

Global Outlook

Commodities bore the direct brunt of the war with a steep increase in food and fuel prices, Russia being a major supplier of oil, gas, fertilisers and metals such as aluminium and nickel and together with Ukraine, of wheat, corn and edible oil. In March 2022, global crude prices crossed \$130/bbl, the highest since 2008 while World Food Prices surged by 33.6 percent from a year earlier, according to the Food and Agriculture Organization of the United Nations.

Overall, global trade growth is projected to slow down from an estimated 10.1 percent in 2021 to 5 percent in 2022 and further to 4.4 percent. For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging markets and developing economies. (World Economic Outlook).

In addition to the humanitarian crisis, the escalation in food and fuel prices is expected to negatively impact divergent economies and further add to the financial pressure of vulnerable communities and low income households globally.

Indian Economic Outlook

In India, despite the second wave of the pandemic disrupting operations, the state-wise easing of the lockdown and the reopening of economic activity, together with a robust farm sector, enabled a strong revival in growth during the second quarter. The emergence of the Omicron variant in the third quarter proved a growth dampener leading to decline in contact sensitive services, slowdown in industrial growth, muted rural offtake, low investment and private consumption. In addition, the headwinds of elevated commodity prices and supply chain challenges, together with the volatility of high oil and fuel prices added to balance sheet pressure in the fourth quarter.

India	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022
GDP Growth %	6.1	4.2	-8	8.2

The IMF in its estimate had pegged India’s GDP growth at 8.9 percent for 2021, 8.2 percent for 2022 and 6.9 percent in 2023. However, the Reserve Bank of India while holding its GDP growth estimate for 2020-21 at 8.9 percent revised its forecast for 2022-23 to 7.2 percent, compared with the 7.8 percent forecast earlier. Federation of Indian Chambers of Commerce and Industry (FICCI) however has been more upbeat, projecting the GDP to grow at 7.4 percent in financial year 2022-23.

Outlook - India

Due to the seismic effects of the war driving volatility in commodity and financial markets, RBI has raised the CPI inflation forecast to 5.7 per cent for 2022-23 and revised its earlier projected inflation rate for FY 23 of 4.5 per cent to 6.3 per cent for Q1, 5 per cent at Q2, 5.4 per cent at Q3 and 5.1 per cent at Q4. The record food grain production and buffer stocks in 2021-22 allied with the Government's interventions in balancing supply, augur well in controlling food inflation in 2022-23.

According to the Reserve Bank of India's Report on Currency and Finance (RCF), the Indian economy may take more than a decade, upto FY 2034-35 to overcome the losses caused by the outbreak of the COVID-19 pandemic. In addition, the long term impact of geo political tensions would further render any projections of growth and inflation contingent on future oil and commodity price developments. A feasible range of medium-term steady GDP growth in India is estimated between 6.5 to 8.5 percent.

On the positive side, robust year-on-year expansion was registered in several high frequency indicators such as GST Collection, Railway freight, Air Passenger Traffic, Toll Collections, Fuel Consumption and Electricity demand and the import of capital goods during February and March demonstrating the resilience of the country's economy.

The Union Budget 2022-23 has drawn an ambitious road map for India's economic growth, entering 'Amrit Kaal', the 25 year long lead up to India @100 focused on four priorities. The planned path outlined in the Government's Budget -2022 augurs well for industries with the prospect of long term and sustained economic growth of the country.

- PM GatiShakti driving 7 engines of growth in - Roads, Railways, Airports, Ports, Mass Transport, Waterways and Logistics Infrastructure.
- Inclusive Development- Agriculture
Rs. 2.37 lakh crore direct payment to 1.63 crore farmers for wheat and paddy procurement ensuring rural development and prosperity.
- Productivity Enhancement & Investment- Under PLIS (Productivity Linked Incentive Scheme) and Skill India Mission - 60 lakh new jobs to be created in 14 sectors with the potential to create an additional production of Rs 30 lakh crore. Sunrise opportunities, Energy Transition and Climate Action to gain in prominence Make in India, Aatmanirbhar Bharat : focus to be expanded to include key sectors.
- Financing of investments: Capital infusion and outlay to States to fund key public-private partnership projects.

Global Consumer Appliances Market

Market Value in (20-22)

US\$ 557 Bn



CAGR (2022-2027)

10.1%



Dominant Segment

Kitchen Appliances



Fast Growing Region

South Asia



High Growth Region

Europe



Key Growth Drivers

**Global population increase
Growing middle class,
high disposable income**



Sectoral Outlook

Global Household Appliance Market

The Global Household Appliance Market is expected to touch \$557.70 billion in 2022 and is thereafter projected to grow at a CAGR of 10.1 percent. to reach \$818.87 billion in 2026. Globally, Asia Pacific has emerged as the largest and fastest growing region in the household appliances market, followed by Western Europe as the second largest region. (Global Newswire).

Small Domestic Appliances

The small domestic appliances market valued at \$176.80 billion in 2020 is estimated to reach \$581.65 billion by 2030, registering a CAGR of 13.0 percent. The commercial segment is estimated to be the significant contributor to the market at US \$231.94 billion and a CAGR of 13.9 percent by 2030. (Allied Market Research).

On the basis of product type, the cooking/baking and heating appliances segment is estimated to reach \$84.08

billion by 2030, at a CAGR of 13.8 percent, while the size of the global food blenders and mixers market is projected to grow at a CAGR of 5.8 percent to reach USD 9.5 billion by 2025. (Allied Market Research).

In the smart appliances category the market is expected to grow from USD 33.8 billion in 2021 to USD 76.4 billion by 2026 at a CAGR of 17.7 percent during the forecast period.

Household appliances witnessed steady growth, with 'Home' and the Kitchen emerging as the centre of activity across the world after the pandemic lockdown. Surge in population, rapid urbanisation and exponential growth in the housing sector in emerging economies such as China and India, and an aspirational middle class with disposable income, are propelling the demand for household cooking appliances globally. According to the UN, the world's population is slated to increase to 9.7 billion people in 2050.

Home Appliances Market - India

The Indian Consumer Electronics and Home Appliances market in India is estimated to grow \$2.12 billion during 2021-2025, progressing at a CAGR of 1 percent in the forecast period. The year-over-year growth rate of the market in 2021 was 1.09 percent. (Research and Markets)

The size of the India Household Cooking Appliances Market is estimated to touch US \$ 4.96 Bn. by 2027 with the North India region accounting for the major share. (Maximize Market Research).

Cooktops

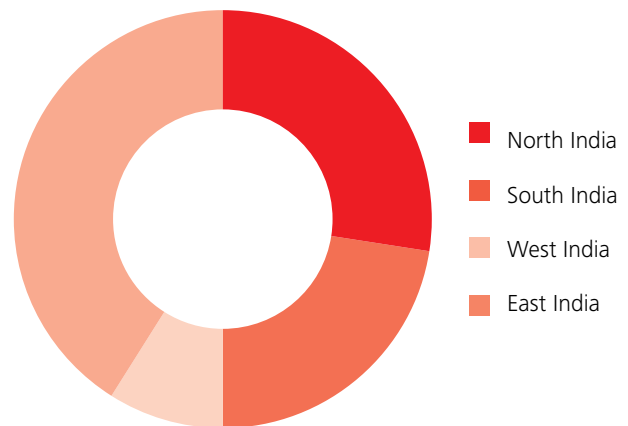
As per industry analysts, variety cooktops, such as gas, electric, or induction cooktops, smooth surface cooktops; and coil cooktops are driving the cooktops and cooking ranges segment in the household appliances market with microwave ovens as the second largest. The market is forecasted to touch US \$3.48 Bn in 2027 with a CAGR of 7.5 percent from 2021-2027 (Maximize Market Research).

Key Growth Drivers

Growing Urbanization

Urbanization, an increasing nuclearisation of families, an aspirational middle class with disposable income, willing to spend on premium kitchen appliances that provide convenience and comfort are some of the key growth factors for the sector. The rural population constitutes around 68% of the total population of the country with the urban population at 32% expanding steadily. The population density and migration of people from rural areas to metro cities has been the major factor driving the growth of the small domestic appliances market in India. It is estimated that by 2030 more than 40% of India's population will be living in urban areas. (Economic Times).

The Central Government's budgetary allocation for housing and urban development of ₹73,850.26 crore for 2021-22 and ₹76,549.46 crore for 2022-23, with 80 lakh houses under the Pradhan Mantri Awas Yojana (PMAY) Scheme,



Blenders & Mixers

The market for blenders & mixers in India is driven by the demand for healthy, nutritious food and beverage products by a growing, upwardly mobile, middle-class population. There is a large potential for blenders & mixers in Tier II cities and in the hinterland markets waiting to be tapped. According to the 2022 market research report, the juicer and mixer grinder market in India would grow at a cumulative annual growth rate (CAGR) of over 12 percent until 2022.

provides the blueprint for urban expansion with Road, Rail and Transit Oriented Development. The rate of urbanization is slated to increase exponentially, with the burgeoning growth of the housing sector and the huge infrastructure development in the country keeping pace.

Brand Reliability

Branded kitchen appliances saw an uptick in demand with a marked change in customer preference for quality and reliability over cost while making a purchase decision. Exposure to the digital media and product reviews have created greater awareness of brands among the rural populace, further fuelling the increase in demand for branded kitchen appliances.

Key Growth Drivers

Quality and Durability

Quality and durability have emerged as key differentiators and demand drivers of the Indian kitchen appliances market. As the culture of work-from-home and 'do-things-yourself' gain in popularity worldwide, customers are gravitating towards contactless buying transactions and hassle-free Home Utility products that do not require repair and service maintenance.

Value-for-Me

The 'value-for-me' proposition has become an imperative for purchasing a product with discerning customers, including a large section from the non metro regions making informed decisions on their purchases. Besides serving as one of the key drivers for the growth of the Indian kitchen appliances market, this has helped reduce the clutter of low quality, short-life, throw-away imported and cheap, counterfeit products from eroding into the market share of established brands. The 'value-for-me' proposition is central to the holistic satisfaction that a brand provides a customer when it fulfils its promise of delivering a 'great product at a great bargain'.

Digital Acceleration

India's consumer digital economy is projected to reach US\$ 800 billion by 2030, from US\$ 85-90 billion in FY2020, driven by increase in online shopping.(RedSeer).

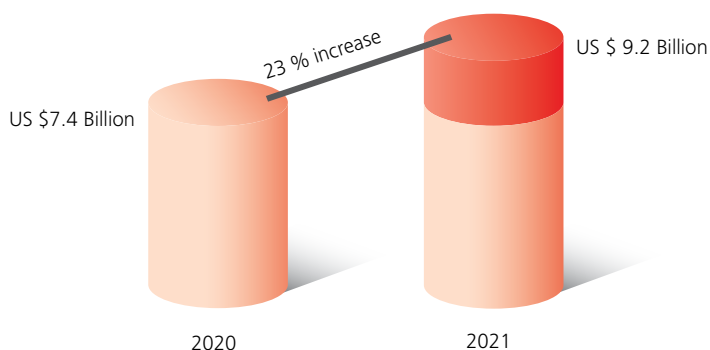
Rapid internet penetration, increasing smart phone usage and rise in digital literacy are accelerating the migration to e-commerce and digital payments, with online platforms bringing the brands closer to the consumers. This has enabled greater penetration of brands to Tier-II plus cities in India, enlarging the customer base in hitherto under-represented markets.

Seamless Buying Experiences

Seamless buying experiences and ease of purchase, with myriad product options and competitive pricing among the store-based retail outlets and E-commerce platforms, has made E-commerce as the fastest growing sales channel for kitchen appliances in India. This has propelled consumers, particularly millennials to the online sales platform, over the traditional brick-and-mortar or walk-in store purchases.

According to analysts, Modern trade and pure play, online channels are evolving as the fastest growing channels for sales with their CAGR estimated to reach 17.5 percent and 37 percent respectively for the next 5 years while growth in traditional sales is expected to remain less than 5 percent.

On-line shopping growth in comparative festive seasons



Internet users in India are expected to reach 900 million in 2025 from 622 million in 2020, increasing at a CAGR of 45 percent (IAMAI & Kantar Research).

Online shoppers estimated to reach 220 million by 2025.

During the 2021 festive season, Indian e-commerce platforms generated US \$ 9.2 billion Gross Merchandise Value (GMV), a 23% increase from last year's US \$ 7.4 billion.

India was the fastest growing e-commerce market among 10 cities in 2021, ahead of the US, China and South East Asia, registering a growth of 27 percent with the number of internet users growing to 124 percent between 2016 -2021.

Innovation

Product innovation is a key metric driving brand choice of discerning customers for their premium purchases. The growing customer preference for automated products that need very minimal human intervention has led to continuous innovations in domestic cooking appliances. Smart homes are setting new benchmarks in style, convenience and connectedness with the Internet of Things (IoT) and Smart Technology emerging as demand drivers in domestic appliances.

Health & Wellness

A growing awareness of health and wellness is dictating customer trends for home cooked, nutritious food choices. State-of-the-art kitchen equipment designed using advanced technology which helps to cook food quickly while preserving nutrients is gaining importance among customers.

Green and Sustainable

The pandemic outbreak has turned the focus on the imperative need for a collective commitment towards protecting the Environment and Planet Earth. India has pledged its support to the UN Sustainability Goals 2030 with its mission of reducing carbon emissions and global warming.

Energy optimization has gained importance as an important marker of a more environmental-friendly way of life. Energy Efficiency Star Certified appliances with innovative multi-functional features that reduce energy consumption are gaining major acceptance among customers.

According to a survey on environment consciousness among consumers, as many as 39 percent of Indian consumers expect brands to reduce the amount of plastics used in packaging and 44 percent say more brands should implement sustainability practices.

Across the globe, a major, purpose-driven change is reflected in consumer behaviour, with the patronising of Companies that promote a cleaner and greener world, with their sustainable processes and products. Among millennials and Gen Z consumers, sustainability is a conscious choice not just for individual products but for the brand and Company, reinforcing the concept of 'the greener the brand, the more loyal the customer. ('State of the Consumer Tracker'- Deloitte).

Industry Outlook - India

The Kitchen Appliances market in India has been riding an upward graph for the past few years and is estimated to grow in double digits in the near future. Urbanization, a growing demographic, rise in the per capita income and increase in consumer consumption are the key drivers propelling the growth of the sector.

However, according to CEAMA, due to the disruptions triggered by the second wave of the pandemic and the impact of the war in Ukraine on raw material and fuel prices, the industry has largely been stagnant this year and with increased customs duties, global economic changes and fluctuations in currency and commodity, the demand levels for next year are difficult to predict.



**Butterfly
Gandhimathi
Appliances Ltd
(BGMAL), is
amongst
the largest
integrated
manufacturers of
domestic kitchen
and electrical
appliances in
India.**



Company Overview

Butterfly Gandhimathi Appliances Limited (incorporated in 1986) is reckoned as a pioneer and among the very few integrated manufacturers of Domestic Kitchen Appliances in the country. Reputed for Quality and Innovation, with benchmark standards and many industry-first achievements to its credit, BGMAL has today emerged as one of the largest Kitchen Appliances Companies in India, with a large market presence both in India and overseas.

Products

The Company's flagship and popular 'Butterfly' brand includes one of the widest range of Domestic Appliances such as LPG Stoves, Mixer Grinders, Table Top Wet Grinders, Stainless Steel & Aluminium Pressure Cookers, Stainless Steel Flasks & Water Bottles, Chimney Hobs, Geysers, Air Coolers, among others.

Manufacturing

The Company's fully integrated, state-of-the-art Plants, manufacture one of the widest range of domestic appliances in the country. In line with its strategies to emerge as a pan India player, the Company made several large scale investments during the year to optimise efficiencies and enhance quality and productivity across its manufacturing plants.

Lean, cellular manufacturing with automation, capacity expansion and newgen process technologies were undertaken during the year at the motor manufacturing line of the Mixer Grinder facility at Urappakam. In addition, ultrasonic, automatic cleaning systems were also added to the Flask manufacturing line at the plant.

The capacity at the manufacturing facility at Mambakkam for Table Top Wet Grinders and Glass Top LPG Stoves was similarly expanded. At the Company's state-of-the-art Plant at Pudupakkam, a series of 9 robotic systems were added in the plastic injection moulding facility for greater productivity and contactless, speedier operations.

Technology

Strategic investments were made to implement advanced process technologies in manufacturing and digital acceleration.

Global Footprint

The Company's products are also exported to the United Kingdom, Canada, Australia, Japan, Middle East and East Asian Countries, among others.

Sustainability

The Company continued to design and manufacture products that were energy efficient and sustainability driven. About 23 new products were launched during the year

Financial Performance

The Company's consolidated gross revenue was ₹1,00,530.40 Lakhs in FY 2021-22, compared to ₹86,963.81 Lakhs in FY 2020-21. The EBITDA of the Company (Earnings Before Interest, Depreciation, Tax and Amortization) stood at ₹ 5,136.25 Lakhs in FY 2021-22 compared to ₹ 7,852.81 Lakhs in the previous year. The Company reported a PAT (Profit After Tax) of ₹1,612.68 Lakhs in FY 2021-22 compared to ₹ 3,615.81 Lakhs in FY 2020-21.

A summary of operating results is covered in the Board's Report for ready reckoning.

Sales Performance

Innovation-led value engineering and new product launches, intensive market storming initiatives for expanding geographical footprint, digital acceleration and online customer engagement with the fastest Turn-Around-Time ranking by e-commerce majors - 2021-22 was a game changing year at BGMAL with record sales across all categories and channels.

(₹ in Crore)

Product	FY 2021-22	FY 2020-21
Kitchen Appliances	749.0	663.3
Cooker/ Cookware	231.3	188.2
Others	25.0	18.1
Total	1005.3	869.6

Net Sales

Total Net Sales for the year FY 2021-22 stood at ₹1,00,530.40 Lakhs as compared to ₹ 86,963.81 Lakhs in the previous year FY 2020-21.

Finance Cost ₹1,113.44 Lakhs for the year ended FY 2021-22 as against ₹1,462.78 Lakhs in FY 2020-21.

Total Net Income for FY 2021-22 stood at ₹1,637.52 Lakhs, as against ₹ 3,667.79 Lakhs in FY 2020-21.

Borrowings Long Term Borrowings of the Company decreased from ₹1,155.41 Lakhs in FY 2020-21 to ₹456.19 Lakhs in FY 2021-22. Total Debt is 0.23 times of equity as against 0.13 times of equity in the previous year. Short term borrowings including current maturities was ₹4,770.28 Lakhs as against ₹1,637.88 Lakhs as on 31st March, 2021.

Depreciation was ₹1,546.49 Lakhs as on 31st March, 2022 under study when compared to ₹1,555.17 Lakhs the previous year.

Fixed Assets The Company incurred ₹1,615.60 Lakhs in Capital Expenditure during the year.

Investments of the Company as at March 31, 2022 stood at ₹ 34.39 Lakhs as against ₹ 28.41 Lakhs the previous year.

Real time inventory tracking at distributor and dealer level resulted in streamlining of channel inventory. This has helped in increasing ROI for distributors and reduction in debtors for the Company.

EBIDTA (Earnings Before Interest, Depreciation, Tax and Amortization) for the year stood at ₹5,136.25 Lakhs as against ₹ 7,852.81 Lakhs the previous year.

PBT (Profit Before Tax) for the year stood at ₹2,476.32 Lakhs, as against ₹4,834.86 Lakhs, the previous year.

PAT (Profit After Tax) for the year ended FY 2021-22 stood at ₹1,612.68 Lakhs, as against ₹3,615.81 Lakhs, the previous year.



**The Company
enjoyed
a market
capitalisation
of ₹2,484.01
Crores as on
March 31,
2022.**



Outlook

Setting its target on a pan India market expansion and exponential growth, the Company has drawn an ambitious roadmap for financial year 2022-23. Leveraging on its strength as an integrated manufacturer of kitchen appliances and its brand reputation, the Company will harvest the complementary synergies of **Crompton Greaves Consumer Electricals Limited** and its extensive distribution and marketing channel for greater penetration into the high potential markets in the North and Western Regions.

Your Company achieved the highest sales during the year despite the pandemic disruptions and escalation in raw material cost. While the signs of growth sustainability for 2022-23 are positive, much depends on the cessation of the Russia- Ukraine war, the containment of the pandemic that has resurfaced in China and effective Government measures to promote business growth.

De-globalisation, geo-political tensions creating volatility in commodity and oil prices, trade sanctions triggering supply chain disruptions, tightening of financial markets and currency fluctuations could prove to be growth disruptors in the near term.

The Company's multi-plant operations, market expertise and strong brand credentials together with a creditable track record of financial prudence would serve as a buffer against regional disruptions and business vulnerabilities and provide the headroom to achieve its chartered growth target.

RISK MANAGEMENT

At BGMAL, a robust Risk Management policy is an integral part of the overall management framework, embedded across all the business practices and processes undertaken by the Company. The Risk Management framework guides the Risk Management team with processes to strategise, monitor, identify, assess and mitigate risks that could impact sustainability of business operations.

<p>Industry Risk Impact on business due to sectoral dependence and slowdown.</p>	<p>Mitigation An essential item in everyday life, the market for kitchen appliances is projected to grow exponentially. As a leading manufacturer of kitchen appliances, Butterfly is continuously expanding its product portfolio with a comprehensive range of appliances catering to Household, Industrial & Commercial segments. The Company expects to have a robust demand pipeline with assured sustainable growth.</p>
<p>Product Risk A decline in demand, Product Obsolescence Risk.</p>	<p>Mitigation Product planning and management with real time, product-wise, inventory tracking at distributor and dealer levels together with strategic and timely interventions based on customer pulse and market trends prevent stock-pile up and product out-dates.</p>
<p>Quality Risk Low quality could impact the Company's brand.</p>	<p>Mitigation The Company's state-of-the art, manufacturing facilities adhere to the highest quality standards in process and products, with production modules integrated with a five-stage, quality control system, with rigorous tests and bar coding of products for quality validation and product-wise traceability.</p>
<p>Raw material Risk The Company may not be able to sustain its operations due to unavailability of raw material.</p>	<p>Mitigation Strong vendor partnerships, multiple sourcing points and strategic rate contracts eliminate the risk of unavailability of raw material, price fluctuations and cost of inventory holding. However, geo-political events such as the war in Ukraine could push raw material cost and availability as in FY 2021-22.</p>
<p>Credit Risk Possibility of loss resulting from Trade / Distributors / Channel Partners' failure to meet their financial commitments and a consequent adverse impact on receivables.</p>	<p>Mitigation The Company has minimal exposure to credit based channel finance, with an in-built, prudent receivable management system and restriction of debtors to large format stores and channel partners with strong fundamentals.</p>

RISK MANAGEMENT

Operational Risk

Loss resulting from ineffective internal processes, people, systems, or external events that can disrupt the flow of business operations.

Mitigation

Strong process controls, strict audit systems and a robust review mechanism with need based, timely interventions, ensure smooth and seamless flow of operations. This includes a people-centric work culture and congenial employee-management relationship, high safety standards with regular maintenance of machinery and processes to pre-empt downtime or disasters and control measures to handle contingencies.

Financial Risk

Prodigality in Liquidity Management, Borrowings and spiralling interest cost that could impact the Balance Sheet.

Mitigation

Fiscal discipline, prudent liquidity management and close monitoring of interest costs and Foreign Exchange volatility has enabled a track record of a strong Balance Sheet.

IT/ Cyber Related Risk

Mitigation

Secure network architecture and access controls to protect confidentiality, integrity and disaster recovery mechanism.

Distribution Risk

The Company may not be able to expand its footprint due to an inefficient distribution network.

Mitigation

Strong network of dealer partnerships and a well established, multi-modal logistics and distribution channel which includes distributors, direct dealers, gas distributors, modern trade and online channels, provides the Company a buffer against geographical downturns. The Company has drawn a strategic roadmap for greater market penetration and outreach both in India and overseas.

Competition Risk

Increase in competition could affect sales.

Mitigation

The Company is a market leader in India for SS LPG Stoves and Table-top Wet Grinders and a major supplier of Mixer Grinders & Pressure Cookers. Butterfly's pioneering zeal and its track record of continuous innovation and customer driven, value-for-money differentiated products, with the 'good for a lifetime' promise of quality and durability, provides it the competitive edge to stay ahead of the curve.

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 in ensuring proper use of its assets. The fully integrated Enterprise Resource Planning (ERP) system, with advanced AI software, helps the 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 maintenance of books of account and reporting of financial statements. The appointed independent internal auditors monitor and report on the effectiveness of the internal control systems of the various areas operations. Key matters that are reported in the Internal Audit are brought to the notice 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 the applicable laws, rules, regulations, policies of the Company are followed, in addition to safeguarding the reliability of financial reporting.

Capital Expenditure

For FY 2021-2022, a capital expenditure of ₹1615.60 Lakhs was incurred for modernisation of infrastructure facilities, machinery / equipment and tools / dies. For FY 2022-23, a CAPEX of ₹3,120 Lakhs was earmarked for automation of operations, equipment, etc.

Balance Sheet

There was no fresh issuance of equity capital during the year. The Company reduced its Long-term Borrowings in order to become debt- free in the long term. The debt equity ratio continues to be at a healthy level.

Accounting Treatment

In the preparation of financial statements, the Company has adhered to the standards prescribed in the Indian Accounting Standards (Ind AS), which it has adopted with effect from April 2017.

Human Resources

At BGMAL, a progressive people policy is embedded in the Company's work culture underpinned by its five cardinal rules of Trust, Transparency, Honesty, Sincerity and Accountability.

The Human Capital composition of 1332 employees is both diverse and inclusive with a significant percentage of women in the team. People are valued as the greatest asset at BGMAL, and in line with this opportunities for growth and career advancement is provided to employees through on-the-job training, skill development programmes, capability building workshops and meritocracy based remuneration and role upgradation.

Various programmes were rolled out during the year to accelerate the migration to a digital and data driven ecosystem and a future-ready people force.

At BGMAL, employee welfare and safety form an important part of the people policy of the Company. In addition, a goal aligned team culture, with the Management and employees working in tandem for the growth of the Company, ensures amicable industrial relations at all Plants.

Despite the challenges of a restrictive, pandemic-induced lock-down, the Company continued to set record levels in productivity and performance, with teams stretching limits in pursuit of new horizons.

Details of Significant Changes in the Key Financial Ratios & Return on Network

406(i) details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Particulars	2021-22	2020-21	Change in %	Explanation
Debtors Turnover Ratio	12.03	9.10	32.2%	Increase due to Topline Growth
Inventory Turnover Ratio	3.27	2.91	12.4%	
Interest Coverage Ratio	4.61	5.37	-14.1%	
Current Ratio	1.25	1.24	0.8%	
Debt Equity Ratio (%)	0.23	0.13	76.9%	Due to Short Term Debt increase
Operating Profit Margin (%)	5.6	8.8	-37.0%	Due to Raw Material Cost increase
Net profit Margin (%)	1.6	4.2	-61.4%	Decrease is due to Product Cost increase, Provision on Receivables and Inventory.
Return on Network	6.9	16.1	-57.5%	

Review of Operations

The year began with the 2nd wave of the pandemic and the resultant lockdown disrupting operations. Despite the challenging business environment with the adverse impact of the pandemic bringing mobility restrictions and the Russia-Ukraine war triggering volatility in raw material and oil prices, the Company demonstrated resilience with a credible performance during the year. Stringent safety protocols were implemented and vaccination camps were conducted for all employees to ensure safe and seamless operations. Additionally, various initiatives were taken to maximise efficiencies, reduce cost and debt vulnerabilities, increase sales and expand into new geographies.

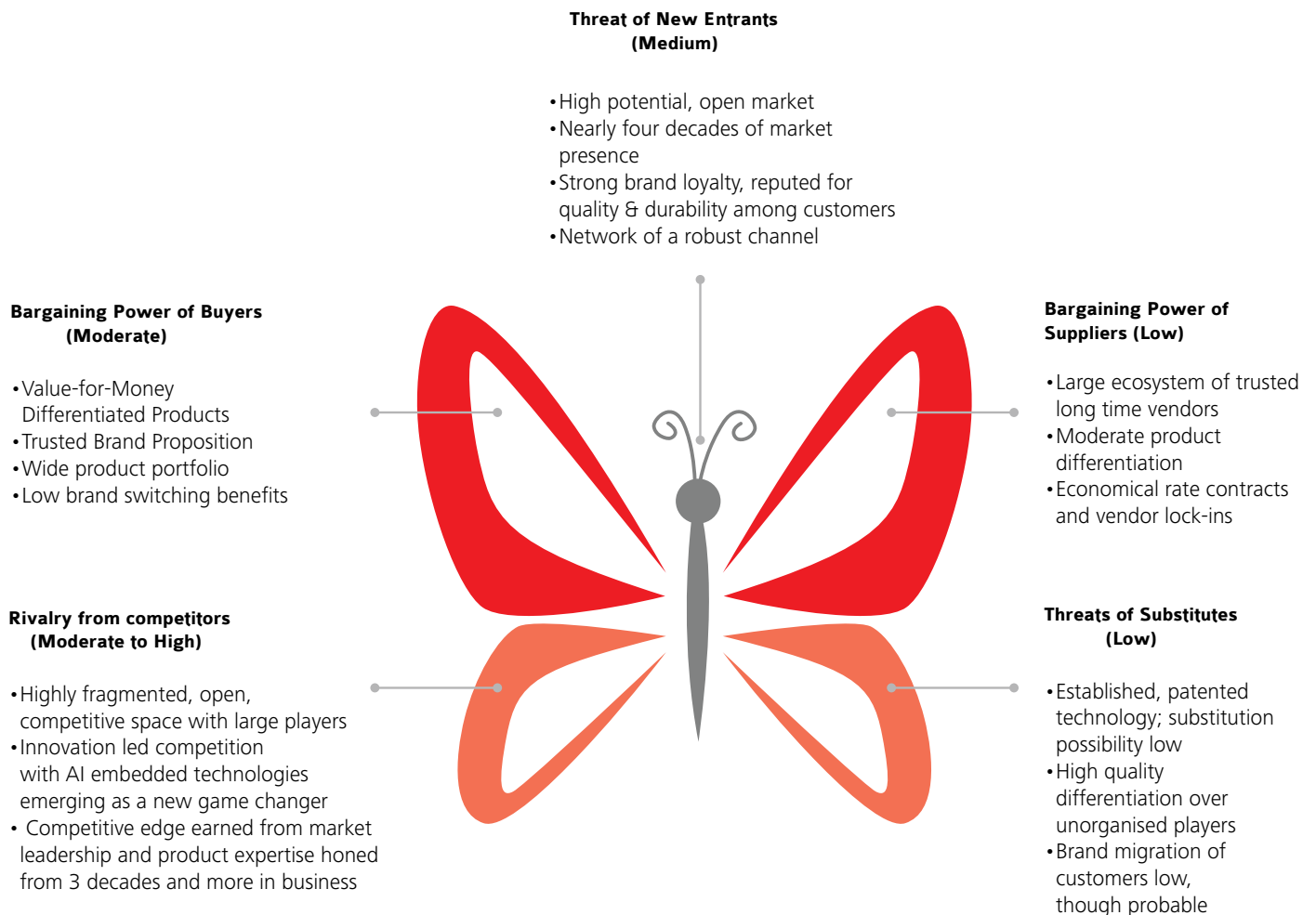
During the year under review, the total revenue amounted to ₹1,00,530.40 Lakhs as against ₹ 86,963.81 Lakhs in

the previous year. Profit Before Tax was ₹ 2,476.32 Lakhs compared to ₹ 4,834.86 Lakhs in FY 2020-21.

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.

MICHAEL PORTER'S FIVE FORCES ANALYSIS



Annexure II

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's philosophy is to provide high quality kitchen and electrical appliances which 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.

Company's philosophy fulfils 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.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations" or "LODR") is given below:

2. BOARD OF DIRECTORS:

(a) COMPOSITION AND CATEGORY OF DIRECTORS:

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. As on the date of this Report, your Company has eleven members collectively forming part of Board of Directors. Mr. P. M. Murty, Mr. P. R. Ramesh and Ms. Smita Anand were appointed as an Independent Director with effect from 1st April, 2022. Mr. P. M. Murty, Independent Director was appointed as the Chairman. The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations.

Mr. Rangarajan Sriram (DIN: 09550640) was appointed as an Additional Director designated as the Managing Director and Mr. Shantanu Kholsa (DIN: 00059877) & Mr. Mathew Job (DIN: 02922413) were appointed as Additional Non- Executive, Non Independent Directors by the Board of Directors on 30th March, 2022.

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. The total Board strength as on date of this report is as follows:

Executive Director	Non-Executive Directors	Independent Directors	Total Directors
1	2	8	11

BOARD COMPOSITION

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

Your Company has two (2) Woman Independent Director in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Pursuant to the Share Purchase Agreement due to the Acquisition of 55 % of the Share Capital of the Company by M/s. Crompton Greaves Consumer Electricals Limited and due to change in the Management of the Company, the erstwhile promoters have resigned and the new Independent, Executive and Non-Executive, Non-Independent Directors were appointed on the Board.

(b) NUMBER OF OTHER BOARDS OR BOARD COMMITTEES IN WHICH THE DIRECTORS OF THE COMPANY ARE MEMBER OR CHAIRPERSON:

Details of the Directors of the Company holding Directorships in other Companies as on 31st March, 2022 are given below:

Name of the Directors	Directorships*	Board/Committee Memberships	
		Chairman of Committee	Member of Committee(s)**
Mr. M. Padmanabhan	-	1	2
Mr. A. Balasubramanian	1	2	2
Mr. G. S. Samuel	1	-	1
Mr. T. R. Srinivasan	-	-	1
Ms. Maheshwari Mohan	1	-	-
Mr. Rangarajan Sriram#	-	-	-
Mr. Shantanu Khosla##	1	-	1
Mr. Mathew Job##	1	-	-

* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Act and Government Bodies 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 Listing Regulations.

Appointed as the Managing Director w.e.f. 30th March, 2022.

Appointed as Directors w.e.f. 30th March, 2022.

Note

During the year under review the following Directors resigned from the Board :-

S. No	Name of Director	Designation
1.	Mr. V. M. Lakshminarayanan*	Chairman & Managing Director
2.	Mr. V. M. Balasubramaniam*	Vice Chairman & Managing Director
3.	Mr. V. M. Seshadri*	Managing Director
4.	Mr. V. M. Ganagadharam*	Executive Director
5.	Mr. V. M. Kumaresan*	Executive Director – Technical
6.	Mr. K Ganesan**	Independent Director*

* 30th March, 2022 **3rd March, 2022

List of Directorship held in other Listed Entities

Name of Director	Name of Listed Entities	Category
Mr. A. Balasubramanian	Nelcast Limited	Non-Executive Independent Director
Mr. G. S. Samuel	Swelect Energy Systems Limited	Non-Executive Independent Director
Mr. P. R. Ramesh	1. Housing Development Finance Corporation Limited 2. Cipla Limited 3. Nestle Indian Limited 4. Crompton Greaves Consumer Electricals Limited	Non-Executive Independent Director
Ms. Smita Anand	Crompton Greaves ConsumerElectricals Limited	Non-Executive Independent Director
Mr. P. M. Murty	Crompton Greaves ConsumerElectricals Limited	Non-Executive Independent Director
Ms. Maheshwari Mohan	Nelcast Limited	Non-Executive Independent Director
Mr. Shantanu Khosla	Crompton Greaves Consumer Electricals Limited	Executive Director - Managing Director
Mr. Mathew Job	Crompton Greaves Consumer Electricals Limited	Executive Director & Chief Executive Officer

None of the Directors are Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 Committees or acts as a Chairman of more than 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 Companies Act, 2013, and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(c) 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.

3. CONFIRMATION BY THE BOARD OF DIRECTORS - ACCEPTANCE OF RECOMMENDATION OF MANDATORY COMMITTEES

In terms of the amendments made to SEBI Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

Definition of Qualification, Expertise and Attributes

	Financial	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.
	Diversity	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
	Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities
	Leadership	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
	Technology	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models
	Board Service and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices
	Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation
	Risk Expertise	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.
	Sustainability, and Environment, Social and Governance (ESG)	Experience in leading the sustainability and ESG visions of organizations, to be able to integrate these into the strategy of the Company.

3. THE BOARD OF DIRECTORS

Mr. Rangarajan Sriram Managing Director		Mr. Shantanu Khosla Non-Executive, Non-Independent Director	
Nationality	Indian	Nationality	Indian
Age	49	Age	62
Date of Appointment	30 th March, 2022	Date of Appointment	30 th March, 2022
Term of Appointment	2 years	Term of Appointment	Not Applicable
Shareholding	Nil	Shareholding	Nil
Relationship between other Directors	Not Applicable	Relationship between other Directors	Not Applicable
Board Membership – Indian Listed Companies	Butterfly Gandhimathi Appliances Limited	Board Membership – Indian Listed Companies	a) Butterfly Gandhimathi Appliances Limited b) Crompton Greaves Consumer Electricals Limited

Areas of Expertise



Areas of Expertise



Mr. Mathew Job Non-Executive, Non-Independent Director		Mr. A. Balasubramanian Independent Director	
Nationality	Indian	Nationality	Indian
Age	53	Age	73
Date of Appointment	30 th March, 2022	Date of Appointment	1 st August, 2019
Date of Re-Appointment	NA	Date of Re-Appointment	NA
Term of Appointment	Not Applicable	Term of Appointment	60 Months 5 years
Shareholding	Nil	Shareholding	Nil
Relationship between other Directors	Not Applicable	Relationship between other Directors	Not Applicable
Board Membership – Indian Listed Companies	a) Butterfly Gandhimathi Appliances Limited b) Crompton Greaves Consumer Electricals Limited	Board Membership – Indian Listed Companies	a) Butterfly Gandhimathi Appliances Limited b) Nelcast Limited

Areas of Expertise



Areas of Expertise



Mr. M. Padmanabhan
Independent Director

Nationality	Indian
Age	73
Date of Appointment	30 th January, 1999
Date of Re-Appointment	1 st August, 2019
Term of Appointment	60 Months/5years
Shareholding	Nil
Relationship between other Directors	Not Applicable
Board Membership – Indian Listed Companies	a) Butterfly Gandhimathi Appliances Limited

Mr. G. S. Samuel
Independent Director

Nationality	Indian
Age	71
Date of Appointment	11 th May, 2012
Date of Re-Appointment	1 st August, 2019
Term of Appointment	60 Months/5years
Shareholding	Nil
Relationship between other Directors	Not Applicable
Board Membership – Indian Listed Companies	a) Butterfly Gandhimathi Appliances Limited b) Swelect Energy Systems Limited

Areas of Expertise



Areas of Expertise



Mr. T. R. Srinivasan
Independent Director

Nationality	Indian
Age	74
Date of Appointment	1 st June, 2013
Date of Re-Appointment	1 st August, 2019
Term of Appointment	60 Months/5years
Shareholding	Nil
Relationship between other Directors	Not Applicable
Board Membership – Indian Listed Companies	Butterfly Gandhimathi Appliances Limited

Ms. Maheswari Mohan
Independent Director

Nationality	Indian
Age	54
Date of Appointment	21 st August, 2015
Date of Re-Appointment	21 st August, 2020
Term of Appointment	60 Months/5years
Shareholding	Nil
Relationship between other Directors	Not Applicable
Board Membership – Indian Listed Companies	a) Butterfly Gandhimathi Appliances Limited b) Nelcast Limited

Areas of Expertise



Areas of Expertise



Mr. P. M. Murty
Independent Director

Nationality	Indian
Age	72
Date of Appointment	1 st April, 2022
Date of Re-Appointment	Not Applicable
Term of Appointment	60 months/5 years
Shareholding	Nil
Relationship between other Directors	Not Applicable
Board Membership – Indian Listed Companies	<ol style="list-style-type: none"> 1. Crompton Greaves Consumer Electricals Limited. 2. Butterfly Gandhimathi Appliances Limited

Areas of Expertise



Mr. P. R. Ramesh
Independent Director

Nationality	Indian
Age	67
Date of Appointment	1 st April, 2022
Date of Re-Appointment	Not Applicable
Term of Appointment	60 months/5 years
Shareholding	Nil
Relationship between other Directors	Not Applicable
Board Membership – Indian Listed Companies	<ol style="list-style-type: none"> 1. Housing Development Finance Corporation Limited 2. Cipla Limited 3. Nestle Indian Limited 4. Crompton Greaves Consumer Electricals Limited 5. Butterfly Gandhimathi Appliances Limited

Areas of Expertise



Ms. Smita Anand
Independent Director

Nationality	Indian
Age	63
Date of Appointment	1 st April, 2022
Date of Re-Appointment	Not Applicable
Term of Appointment	5 years 60 months
Shareholding	Nil
Relationship between other Directors	No relationship with other Directors
Board Membership – Indian Listed Companies	<ol style="list-style-type: none"> 1. Crompton Greaves Consumer Electricals Limited 2. Butterfly Gandhimathi Appliances Limited

Areas of Expertise



4. Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee 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 three key roles – Governance, Control and Guidance. Some of the performance indicators, based on which the Independent Directors are evaluated, include:

- 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
- Commitment to the fulfillment 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, a formal and rigorous Board review is internally undertaken on an annual basis

Further, the evaluation process was based on the affirmation received from the independent directors that they met the independence criteria as required under the Companies Act, 2013 and the Listing Regulations.

Familiarization Programs

All new independent directors inducted into the Board, attend an orientation program. Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment and Details of familiarization programs imparted to independent directors are disclosed at the Company's website: www.butterflyindia.com.

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 11 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 at www.butterflyindia.com.

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.

5. BOARD MEETING

(a) Scheduling and selection of agenda items for Board Meetings

The tentative dates of Board meetings for the next fiscal are decided in advance and published in the Annual Report as part of Shareholder information. The Company Secretary will draft the agenda for each meeting, along with explanatory notes, in consultation with the Managing Director, and distribute these in advance to the directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the Annual General Meeting (AGM). Additional meetings are held as and when required. Independent directors are expected to attend at least four quarterly Board meetings and the AGM. However, with the Board being represented by independent directors from various parts of the India/world, it may not be possible for each one of them to be physically present at all meetings. Hence, we provide video conferencing facilities to enable their participation. Committees of the Board usually meet before the Board meeting, or whenever the need arises for transacting business. This year, these meetings were held virtually in line with the relaxations provided by the Ministry of Corporate Affairs and the Securities Exchange Board of India. The Board members are expected to rigorously prepare for, attend and participate in Board and applicable committee meetings. Each member is expected to ensure their other current and planned future commitments do not materially interfere with their responsibilities with us.

(b) Board Meetings held during Fiscal Year 2022.

During the financial year ended 31st March, 2022, Thirteen (13) Board Meetings were held on 3rd April, 2021, 5th April, 2021, 17th May, 2021, 14th June, 2021, 22nd June, 2021, 4th August, 2021, 27th October, 2021, 7th February, 2022, 21st February, 2022, 22nd February, 2022, 4th March, 2022, 18th March, 2022 and 30th March, 2022.

(c) Board Meeting Attendance.

S. NO	Name of Director	No of Board Entitled to Attend	No of Board Meetings Attended	Attendance of AGM 29 th July, 2021
1.	Mr. V M Lakshminarayanan*	13	13	Yes
2.	Mr. V M Balasubramaniam*	13	9	Yes
3.	Mr. V M Seshadri*	13	13	Yes
4.	Mr. V M Gangadharam*	13	13	Yes
5.	Mr. V M Kumaresn*	13	12	Yes
6.	Mr. K. Ganesan**	10	7	Yes
7.	Mr. M. Padmanabhan	13	12	Yes
8.	Mr. A. Balasubramanian	13	13	Yes
9.	Mr. G. S. Samuel	13	13	Yes
10.	Mr. T. R. Srinivasan	13	12	Yes
11.	Mr. Shantanu Khosla #	1	1	Not Applicable
12.	Mr. Mathew Job#	1	1	Not Applicable
13.	Mr. Rangarajan Sriram#	1	1	Not Applicable
14.	Ms. Maheswari Mohan	13	13	Yes

* The Managing Director/Executive Directors resigned from the Board of Directors of the Company w.e.f 30th March, 2022 pursuant to the Share Purchase Agreement signed between the Company, certain Members of Promoters and Promoter Group and M/s. Crompton Greaves Consumer Electricals Limited ("Crompton") ("Acquirer Company")

** Mr. K. Ganesan resigned from the Board with effect from 3rd March, 2022.

Mr. Rangarajan Sriram was appointed as the Managing Director, Mr. Shantanu Khosla, Mr. Mathew Job were appointed as Non-Executive, Non-Independent Directors of the Company w.e.f 30th March, 2022.

(d) 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.

(e) Resignation of Independent Director.

Mr. K. Ganesan, Non-Executive Independent Director of the Company resigned from the Board with effect from 3rd March, 2022 due to health issues and his advancing age. There are no other material reasons other than stated above for his resignation.

5. BOARD COMMITTEES AS ON 31st March, 2022

(a) AUDIT COMMITTEE:

(i) 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 (LODR) Regulations, 2015, 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.

(ii) 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 (LODR) Regulations 2015. The Composition of the Audit Committee is as follows:

Name of Director	Position	Category
Mr. P. R. Ramesh	Chairman	Independent Director
Mr. P. M. Murty	Member	Independent Director
Ms. Smita Anand	Member	Independent Director
Mr. A. Balasubramanain	Member	Independent Director
Mr. M. Padmanabhan	Member	Independent Director
Mr. Shantanu Khosla	Member	Non-Executive Non- Independent Director
Mr. G. S. Samuel	Member	Independent Director

(iii) Meetings and Attendance during Financial Year ended 31st March 2022

During the financial year ended on 31st March, 2022, the Audit Committee met ten (10) times on 3rd April, 2021, 7th May, 2021, 17th May, 2021, 4th August, 2021, 27th October, 2021, 1st November, 2021, 7th February, 2022, 21st February, 2022, 26th March, 2022 and 30th March, 2022.

Name of Member	Meeting Entitled to attend	Meeting Actually Attended
Mr. A. Balasubramaniam	10	10
Mr. M. Padmanabhan	10	9
Mr. G. S. Samuel	2	2
Mr. V. M. Lakshminarayanan	10	10
Mr. K. Ganesan	8	7

Note:

The Audit Committee Meetings were also attended by the Company Secretary/Chief Financial Officer/Statutory Auditors /Cost Auditors /Internal Auditors, whenever necessary. Mr. K. Ganesan has resigned w.e.f 03rd March, 2022, Mr. V. M. Lakshminarayanan has resigned w.e.f 30th March, 2022.

(b) **NOMINATION AND REMUNERATION COMMITTEE:**

(i) **Brief description of terms of reference:**

The brief terms of reference are as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) of Schedule II Part-D to the SEBI (LODR) Regulations, 2015, inter-alia include :

- 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, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee 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; and
 - c) consider the time commitments of the candidates
- Formulation of criteria for evaluation of Independent Directors and the Board;
 - Devising a policy on Board diversity;
 - 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.
 - 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.
 - Recommend to the board, all remuneration, in whatever form, payable to senior management
 - 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.

(ii) Composition, Name of Members and Chairman:

The Composition of the Nomination and Remuneration Committee is in line with the provisions of Section 178 of Companies Act, 2013 and Regulation 19(1) of the SEBI (LODR) Regulations 2015. The Composition of the Nomination and Remuneration Committee is as follows:

Name of Director	Position	Category
Ms. Smita Anand	Chairman	Independent Director
Mr. P. M. Murty	Member	Independent Director
Mr. P. R. Ramesh	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

(iii) Meetings and Attendance during the Financial Year ended on 31st March 2022:

During the financial year ended on 31st March 2022, the Nomination and Remuneration Committee met five (5) times on 5th April, 2021, 17th May, 2021, 18th June, 2021, 18th March, 2022 and 30th March, 2022.

Name of Director	No of Meeting entitled to Attend	No of Meeting Actually Attended
Mr. A. Balasubramaniam	5	5
Mr. M. Padmanabhan	5	5
Mr. G. S. Samuel	2	2
Mr. K. Ganesan	3	2

Note:

Mr. K. Ganesan has resigned w.e.f 03rd March, 2022

(iv) Performance evaluation criteria for Independent Directors:

The performance evaluation criteria for Independent Directors, inter-alia, includes factors like

- (a) participation at Board/ Committee Meetings
- (b) Managing Relationship with fellow Board Members
- (c) Knowledge and skill
- (d) Personal attributes like ethics and integrity, independent judgment with regard to corporate strategy, performance, risk management etc.
- (e) corporate governance implementation
- (f) knowledge about the Company and external environment in which it operates
- (g) confidentiality level, and
- (h) adherence to the applicable code of conduct for Independent Directors.

The evaluation of the Independent Directors was 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 adopted a Policy relating to selection, remuneration and evaluation of Directors and Senior Management. The said policy was annexed as Annexure VII and also available on the website of the Company <https://www.butterflyindia.com/investor-relations/#policies>

(c) REMUNERATION OF DIRECTORS:

(a) Non-Executive/Independent Directors:

As on 31st March, 2022, there were five (5) Independent Directors including a Woman Independent Director. None of the Independent Directors has any pecuniary relationship or transactions with the Company.

(b) Criteria of making payments to Non-Executive/Independent Directors :

The Non-Executive Directors were paid Sitting fee of ₹ 30,000/- for each Board/ Committee meetings attended by them. Details of such sitting fee paid to them during the financial year ended 31st March 2022 are given below:

Name of the Director	Sitting Fee (₹)
Mr. K.Ganesan	6,60,000
Mr. M.Padmanabhan	11,40,000
Mr. A.Balasubramanian	9,60,000
Mr. G.S.Samuel	6,60,000
Mr. T.R.Srinivasan	4,80,000
Ms. Maheswari Mohan	4,80,000
TOTAL	43,80,000

(c) Disclosure with respect to remuneration paid to the Managing Directors and Whole-time Directors are as follows:

a) Details of remuneration paid/payable to the Managing Directors and Whole-time Executive Directors during the financial year ended on 31st March 2022 are as follows:

(₹ in lakhs)

Name of Director	Salary	Perquisites	Contribution to PF	Total
Mr. V.M.Lakshminarayanan*	71.81	14.36	11.60	97.77
Mr. V.M.Balasubramaniam*	70.61	14.12	11.40	96.13
Mr. V.M.Seshadri*	69.41	13.88	11.21	94.50
Mr. V.M.Gangadharam*	67.02	13.40	10.83	91.25
Mr. V.M.Kumaresan*	67.02	13.40	10.83	91.25

*Resigned w.e.f. from 30th March, 2022

There are no stock option for any of the Directors including the Managing Director/Executive Directors.

The remuneration of Managing/Executive Directors given above is fixed components. The tenure of office of the Managing Directors and Whole Time Executive Directors is for a period of five years from their respective dates of appointments. Mr. V.M. Lakshminarayanan, Mr. V.M. Balasubramaniam, Mr. V.M. Seshadri, Mr. V.M. Gangadharam and Mr. V.M. Kumaresan being Promoter-Directors no service contract/notice period has been stipulated for them.

Mr. Rangarajan Sriram was appointed as Managing Director w.e.f 30th March, 2022 for a period of two years on secondment basis. The remuneration detail of Mr. Rangarajan Sriram is as below.

Fixed Pay Up to ₹ 1,79,31,705/- (Rupees One Crore Seventy Nine Lakhs Thirty-One Thousand Seven Hundred Five) per annum for the financial year 2022-23.

Performance Bonus Pay out of ₹ 44,82,926/- (Rupees Forty Four Lakhs Eighty Two Thousand Nine Hundred Twenty Six) at Performance Factor of 100% with maximum payout of 200% of Performance Factor (i.e. ₹ 89,65,853/- (Rupees Eighty Nine Lakhs Sixty Five Thousand Eight Hundred Fifty Three).

Stock Options Stock Options of the Holding Company vested and not exercised:

Scheme	No of Options Vested	Price
ESOP -2016	83,957	186.60
ESOP -2016	29,847	254.40
ESOP -2019	18,281	405.95

Stock Options of the Holding Company granted but not vested:

Scheme	No of Options Unvested	Price
ESOP -2016	17,500	254.40
ESOP -2016	17,500	254.40
ESOP -2019	1,27,500	405.95

The Company shall reimburse to the Holding Company an amount not exceeding the cost of Employee stock option (ESOP) of the Holding Company, i.e. ₹ 80,04,000 (Indian Rupees Eighty Lakh and Four Thousand), towards the value of the stock options granted to (Mr. Rangarajan Sriram under ESOP plan of the Holding Company for the financial year 2022-23).

Holding Company shall continue to grant the stock options under any Employee Stock Option Plan ("ESOP") for the time being in force or as may be announced by the Holding Company.

Other benefits Terminal benefits such as leave encashment, medical benefits and insurance benefits (such as death insurance, vehicle insurance, life insurance, accident insurance, etc.)

(d) SHAREHOLDERS' RELATIONSHIP COMMITTEE:

(i) Role of Stakeholders Relationship Committee

- To authorise printing of share certificate post authorisation from the Board of Directors of the Company.
- 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.
- 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.

(ii) Composition, Name of the Members and Chairman:

The Composition of the Shareholders' Relationship Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015. The composition of the Shareholders Relationship Committee is as follows:

Name of Director	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

Name and Designation of Compliance Officer:

Name of Compliance Officer	Designation
Ms. Priya Varshinee V M	Company Secretary & Compliance Officer

(iii) Meetings and Attendance during the Financial Year ended on 31st March 2022

During the financial year ended on 31st March 2022, the Shareholders' Relationship Committee met four (4) times on 7th May, 2021, 27th September, 2021, 21st December, 2021 and 24th March, 2022.

Name of Directors	Members Entitled to Attend	Members Actually Attended
Mr. M. Padmanabhan	4	4
Mr. T. R. Srinivasan	1	1
Mr. V. M. Gangadharam	4	4
Mr. K. Ganesan	3	3

Note:

Mr. K. Ganesan has resigned w.e.f 3rd March, 2022, Mr. V.M.Gangadharam has resigned w.e.f 30th March, 2022.

Number of Shareholders' complaints received during the financial year:

Total Complaints received shareholders	11
No of Complaints Pending	0
No of Complaints Not Solved	0
No of Complaints Resolved	11

(e) **SHARE TRANSFER COMMITTEE :**

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.
- To review, approve, reject the request of duplicate share certificates, Loss of Share Certificate.
- To issue of the share certificates in a timely manner as may be prescribed under the Act.

The composition of the Share Transfer Committee is as follows:

Name of Director	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

Meetings and Attendance during the Financial Year ended on 31st March 2022

During the financial year ended on 31st March 2022, Twelve (12) Share Transfer Committee meetings were held on 3rd April, 2021, 28th April, 2021, 10th June 10, 2021 3rd August, 2021, 16th September, 2021, 1st November, 2021, 16th November, 2021, 6th December, 2021, 1st January, 2022, 15th February, 2022, 28th February, 2022 and 15th March, 2022.

Name of Director	Members entitled to Attend	Members Actually Attended
Mr. V. M. Seshadri	12	12
Mr. V. M. Kumaresan	12	12
Ms. Priya Varshinee V M	9	9
Mr. K. S. Ramakrishnan	2	2

Note:

Mr. V. M. Seshadri, Mr. V. M. Kumaresan are resigned w.e.f 30th March, 2022, Mr. K. S. Ramakrishnan Company Secretary cum General Manager (Legal) deceased on 18th May, 2021.

(f) **RISK MANAGEMENT COMMITTEE**

Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates constitution of the Risk Management Committee. The Committee is required to laydown 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 Risk Management Committee shall meet periodically, as it deems fit.

(i) **Composition, Name of the Members an Chairman:**

The composition of the Risk Management Committee is as follows:

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

(ii) **Meetings and Attendance during the Financial Year ended on 31st March, 2022**

During the financial year ended on 31st March, 2022, the Risk Management Committee Meeting met Two (2) time on 21st September, 2021 and 31st December, 2021

Name of Director	Meeting Entitled to Attend	Meeting Actually Attended
Mr. V. M. Seshadri	2	2
Mr. V. M. Gangadharam	2	2
Mr. M. Padmanabhan	2	2
Mr. A. Balasubramanian	2	2
Mr. G. S. Samuel	2	2

Note

Mr. V. M. Seshadri, Mr. V. M. Gangadharam are resigned w.e.f 30th March, 2022.

(g) **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 follow:-

Name of Director	Position	Category
Mr. Shantanu Khosla	Chairman	Non-Executive Non-Independent Director
Mr. P. M. Murty	Member	Independent Director
Ms. Smita Anand	Member	Independent Director
Mr. Rangarajan Sriram	Member	Managing Director
Mr. T. R. Srinivasan	Member	Independent Director
Mr. G. S. Samuel	Member	Independent Director

Note

Mr. V. M. Lakshminarayanan has resigned w.e.f 30th March, 2022.

(ii) Meetings and Attendance during the Financial Year ended on 31st March 2022

As per the provisions of the Companies Act, 2013 there was no amount required to be spent on CSR for the FY 2021-22.

(h) GENERAL BODY MEETINGS:

a) Details of last three Annual General Meetings (AGM) and Postal Ballot and Special Resolutions passed are given below.

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
2018-19	32 nd AGM	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam-603103, Kancheepuram District	7 th August, 2019 at 11.00 a.m.	a. Pursuant to the provisions of Section 180(1)(a) for mortgaging and/or charging all or any of the movable and/or immovable properties present and future. b. Pursuant to the provisions of Section 181 contribution to bonafide Charitable and other funds, aggregate of which shall not exceed 5% of its Average Net Profit.
2019-20	33 rd AGM	Video Conferencing/ Other Audio Visual Means.	20 th August, 2020 at 11.00 a.m.	Approval of Ms. Maheshwari Mohan (DIN:07156606), Woman Independent Director to hold office for the second term of 5 (five) consecutive years i.e, from 21.08.2020 to 20.08.2025.
2020-21	34 th AGM	Through VC / OAVM	29 th July, 2021 at 11.00 A.M	a. Reappointment of Mr. V M Gangadharam as the Whole Time Director of the Company. b. Reappointment of Mr. V M Kumaresan as Executive Director – Technical of the Company c. Approval Pursuant to the provisions of Section 181 contribution to bonafide Charitable and other funds, aggregate of which shall not exceed 5% of its Average Net Profit.

- Whether any Special Resolution is passed last year through Postal Ballot - Not Applicable
- Person who conducted the postal ballot exercise - Not Applicable
- Whether any special resolution is proposed to be conducted through postal ballot – Your Company may propose to pass Special Resolutions conducted through Postal Ballot, if necessary, to comply with the provisions of the Companies Act, 2013 and the Rules made thereunder
- Procedure for Postal Ballot - NA.

(i) MEANS OF COMMUNICATION:

- 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.
- The Unaudited Quarterly financial results are published in Trinity Mirror, Business Standard and Makkal Kural.
- The Quarterly/Annual Results are also posted on the Company's website: www.butterflyindia.com and also on the website of the BSE Limited and National Stock Exchange of India Limited.
- All the official news releases are disseminated on the Company's website whenever necessary.
- The Company periodically meets or has conference calls with institutional investors and analysts, Official news releases and presentation made to institutional investors and analysts are uploaded on NEAPS and BSE online portal of NSE and BSE respectively and posted on the Company's website: www.butterflyindia.com.
- 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 id. Physical copies of the annual report have been provided to such shareholders based on a request received from them for this purpose.

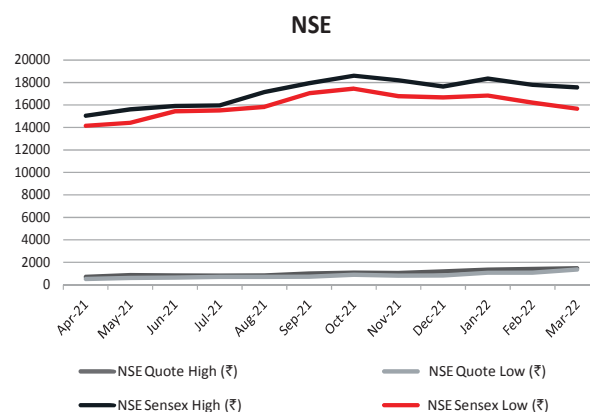
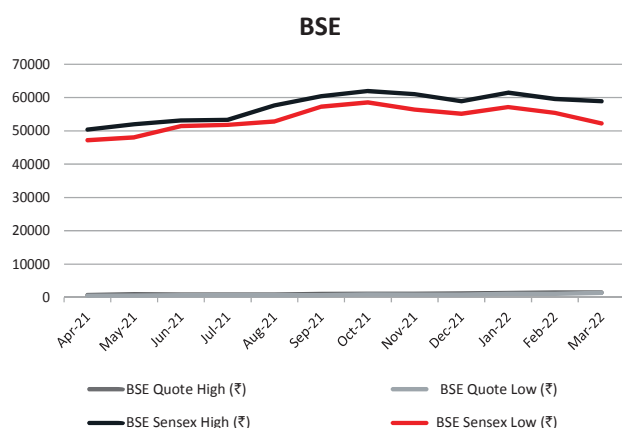
(j) GENERAL SHAREHOLDER INFORMATION:

(a)	Date, Time and Venue of the Thirty Fifth Annual General Meeting:	
	Date	14 th July 2022
	Day	Thursday
	Time	3.00 p.m.
	Venue	Through Video Conferencing / Other Audio Visual Means
(b)	Particulars of Financial Calendar [Tentatively]:	
	Financial year	1 st April 2022 to 31 st March 2023
	Unaudited First Quarter Results	Before 15 th August, 2022
	Unaudited Second Quarter Results	Before 15 th November, 2022
	Unaudited Third Quarter Results	Before 15 th February, 2023
	Audited Annual Results	Before 30 th May, 2023
(c)	Date of Book Closure	Not Applicable
(d)	Date of remote e-voting	From Monday, 11 th July 2022 (9.00 a.m.) to Wednesday 13 th July 2022 (5.00 p.m.)
(e)	Dividend Payment Date	Not Applicable
(f)	Name and Address of Stock Exchanges where the Company's shares are listed and confirmation of payment of Annual Listing Fees:	
	1	BSE Limited (BSE) Floor 1, P J Towers Dalal Street, Mumbai – 400 001
	2	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051
(g)	Stock Code:	
	BSE	517421
	NSE	BUTTERFLY
	ISIN	INE295F01017

(h) Market Price Data (High/Low) during financial year 2021-2022

Month	BSE Quote				BSE Sensex			
	High (₹)	Base %	Low (₹)	Base %	High (₹)	Base %	Low (₹)	Base %
Apr-21	719.00	100.00	519.00	100.00	50375.77	100.00	47204.50	100.00
May-21	923.85	128.49	602.00	115.99	52013.22	103.25	48028.07	101.74
Jun-21	836.00	116.27	656.55	126.50	53126.73	105.46	51450.58	109.00
Jul-21	800.00	111.27	695.00	133.91	53290.81	105.79	51802.73	109.74
Aug-21	830.00	115.44	701.20	135.11	57625.26	114.39	52804.08	111.86
Sep-21	999.00	138.94	711.00	136.99	60412.32	119.92	57263.90	121.31
Oct-21	1064.00	147.98	885.00	170.52	61963.07	123.00	58551.14	124.04
Nov-21	1049.95	146.03	812.10	156.47	61036.56	121.16	56382.93	119.44
Dec-21	1200.65	166.99	835.25	160.93	58889.56	116.90	55132.68	116.80
Jan-22	1345.00	187.07	1070.00	206.17	61475.15	122.03	57119.28	121.00
Feb-22	1419.00	197.36	1067.90	205.76	59618.51	118.35	55383.20	117.33
Mar-22	1461.95	203.33	1360.00	262.04	58890.92	116.90	52260.82	110.71

Month	NSE Quote				NSE Sensex			
	High (₹)	Base %	Low (₹)	Base %	High (₹)	Base %	Low (₹)	Base %
Apr-21	712.25	100.00	517.00	100.00	15044.35	100.00	14151.40	100.00
May-21	879.00	123.41	610.25	118.04	15606.35	103.74	14416.25	101.87
Jun-21	840.00	117.94	654.50	126.60	15915.65	105.79	15450.90	109.18
Jul-21	810.00	113.72	701.00	135.59	15962.25	106.10	15513.45	109.62
Aug-21	827.00	116.11	700.05	135.41	17153.50	114.02	15834.65	111.89
Sep-21	999.80	140.37	720.10	139.28	17947.65	119.30	17055.05	120.52
Oct-21	1070.00	150.23	894.00	172.92	18604.45	123.66	17452.90	123.33
Nov-21	1055.00	148.12	820.05	158.62	18210.15	121.04	16782.40	118.59
Dec-21	1193.25	167.53	831.00	160.74	17639.50	117.25	16668.25	117.79
Jan-22	1345.00	188.84	1071.00	207.16	18350.95	121.98	16836.80	118.98
Feb-22	1419.50	199.30	1067.20	206.42	17794.60	118.28	16203.25	114.50
Mar-22	1477.80	207.48	1360.05	263.07	17559.80	116.72	15671.45	110.74



(i) The Company's equity shares were not suspended from trading during the financial year 2021-2022.

(j) Registrars and Share Transfer Agents:

The Company has appointed M/s.GNSA Infotech Private Limited, STA Department, Nelson Chambers, 4th Floor, F Block, No.115, Nelson Manickam Road, Aminjikarai, Chennai-600 029, Email ID: sta@gnsaindia.com Phone: 044-42962025 as its Share Transfer Agents to take care of share transactions, both in demat and physical forms.

(k) Share Transfer System:

The application for transfer of shares and other requests for shareholders holding shares in physical form are processed by GNSA Infotech Pvt. Limited, Company's Registrar and Share Transfer Agent. However, transfer of shares in physical mode is prohibited effective from 1st April 2019. In respect of transmission of shares, all requests are considered for approval by Share Transfer Committee. Members holding shares in physical form are urged to dematerialize the shares as they would be unable to transfer the shares in physical form hereafter in view of the requirements prescribed in this regard to SEBI.

(l) Shareholding Pattern as at 31st March, 2022

Category	No. of Shares Held	Percentage of Shareholding
A Promoter's holding Promoters & their relatives	11226133	62.79
B Non-Promoters Holding		0
1 INSTITUTIONAL INVESTORS		0
i. Foreign Portfolio Investor	277152	1.55
ii. Mutual Funds/UTI	1533474	8.58
iii. Financial Institutions/Banks	2000	0.01
iv. Alternative Investment fund	163067	0.91
v. Others		0
2 CENTRAL/STATE GOVERNMENTS	0	0
3 NON-INSTITUTIONAL INVESTORS		0
i. Bodies Corporate	1204784	6.74
ii. Indian Public	3331768	18.63
iii. NRIs	107687	0.6
iv. Clearing Members	33135	0.19
v. Clearing House	351	0
GRAND TOTAL	17879551	100

(m) Distribution of shareholding as on 31st March 2022:

No. of Equity Shares Held	No. of Share holders	%	No. of Shares held	%
1 – 500	21391	96.76	1280069	7.16
501 – 1000	343	1.55	261646	1.46
1001 – 2000	139	0.63	204111	1.14
2001 – 3000	53	0.24	135746	0.76
3001 – 4000	39	0.18	138145	0.77
4001 – 5000	25	0.11	114643	0.64
5001 – 10000	46	0.21	313295	1.75
Above 10000	72	0.33	15431896	86.31
Total	22108	100.00	17879551	100.00
No. of shares held in physical form	14715	66.56	17246176	96.46
No. of Shares held in electronic mode	7393	33.44	633375	3.54
Total	22108	100.00	17879551	100.00

(n) Dematerialization of shares and liquidity: As on 31st March 2022, 96.46% of the paid- capital has been dematerialized.

(o) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity:
No such instruments have been issued by the Company.

(p) Plant locations	<p>(i) 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam - 603 103 Chengalpattu District, Tamil Nadu</p> <hr/> <p>(ii) No.7, Karanai-Puducherry Village, Kattur - 603 202, Chengalpattu Taluk, Chengalpattu District, Tamil Nadu</p> <hr/> <p>(iii) 26, Vandalur-Kelambakkam Road, Mambakkam, Chennai - 600048</p>
(q) Address for Communication:	<p>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 Corporate Office of the Company to the following addresses:</p> <hr/> <p>Registrar and Share Transfer Agents: GNSA Infotech Private Limited, STA Department, Nelson Chambers, 4th Floor, F-Block, No.115, Nelson Manickam Road, Aminjikarai, Chennai – 600029 Email: ravi.k@gnsaindia.com, sta@gnsaindia.com.</p> <hr/> <p>Corporate Office: Company Secretary & Compliance Officer Butterfly Gandhimathi Appliances Limited E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur–600130, Chengalpattu District Email: priya.vm@butterflyindia.com and gmal@butterflyindia.com</p>

6. OTHER DISCLOSURES:

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large:

During the year under review, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

(ii) Non- Compliance of any Requirement of Corporate Governance Report.

The Company has complied with all the mandatory requirement of Corporate Governance Report

(iii) Disclosure Relating to Adoption of Discretionary Requirements

- a) The Board: The Chairman of the Company is Non-Executive Independent.
- b) Shareholders Right: The Company does not mail the Unaudited Half-Yearly Financial Results individually to its shareholders. However, these are published in the one English and one Vernacular Newspaper and also posted on the website of the Company at www.butterflyindia.com and on the Stock Exchanges where the Company is Listed.
- c) Modified Opinion(s) in Audit Report: Nil
- d) Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

(iv) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges, SEBI or any other Statutory Authorities on any matter related to capital markets, during the last three years.

There were 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 years.

(v) 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 Companies Act, 2013 and the Rules made thereunder and also Regulation 22 of the SEBI (LODR) Regulations 2015, Whistle Blower Policy of the Company can be visited at its website: www.butterflyindia.com. 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.

(vi) 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 (LODR) Regulations, 2015 were complied with.

(vii) Weblink where policy for determining 'material' subsidiaries is disclosed:

The Company has no subsidiary.

(viii) Weblink where policy dealing with 'related party' transactions:

The Company's policy for dealing with 'related party' transactions can be viewed at its website: www.butterflyindia.com

(ix) Policy for Prohibition of Insider Trading:

Your Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, Promoters and designated employees of the Company. The Code required pre-clearance for dealing in the Company's shares for all transactions by Directors, Promoters and designated employees (together called Designated Persons) and prohibits the purchase or sale of Company's securities by Designated Persons while in possession of Unpublished Price Sensitive Information in relation to the Company. Further, trading in securities is also prohibited for Designated Persons during the period when the Trading Window is closed. The Board of Directors also reviewed the Code in line with the amendments made to the SEBI (Prohibition of Insider Trading) Regulations 2015 in April 2019 along with policy containing procedures for conduct of inquiry in case of leakage of UPSI or suspected leakage of UPSI as part of the Code and Company's code for practices and procedures for fair disclosure of Unpublished Price Sensitive Information which includes a policy for determination of legitimate purposes for sharing information under the Code. The Codes/policies are posted on the Company's website: www.butterflyindia.com". These code of conduct of the Company are administered by the Compliance Officer.

(x) MD/CFO Certification:

As required under Schedule II – Part B to the SEBI (LODR) Regulations, 2015 the MD/CFO have furnished necessary certificates to the Board of Directors with respect to Financial Statements for the year ended 31st March 2022.

(xi) Certificate from Company Secretary in Practice pursuant to clause 10 of Part C of Schedule V of SEBI (LODR) Regulations, 2015:

The Certificate dated 11th May, 2022 received from M/s. A.K.Jain & Associates, Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority (Annexure A).

(xii) Fees to Statutory Auditors:

The details of total fees for services paid by the Company to the Statutory Auditors - M/s.ASA & Associates LLP for the year 2021-2022 :

(₹ in lakhs)		
Particulars	Amount (2021-2022)	Amount (2020-2021)
Statutory Audit Fees	18.00	18.00
Other Services	0.45	0.25
Out of Pocket Expenses	0.28	0.16
Total	18.73	18.41

The Auditor will also be entitled of reimbursement of out of pocket expenses at actuals in connection with audit and also Service Tax.

(xiii) 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 Listing Regulations, wherever applicable.

(xiv) Declaration on Code of Conduct

As required under Schedule V(D) to the SEBI (LODR) Regulations, 2015, it is hereby affirmed that all the Board Members and Senior Management personnel have complied with the Code of Conduct of the Company. It is also confirmed that the Code of Conduct has already been posted on the website of the Company.

(xv) Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2018 is not applicable.

(xvi) 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.

(xvii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of Complaints filed during the year	0
Number of Complaints Disposed	0
Number of Complaints Pending	0

(xviii) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested.

The Company have not provided any Loans and Advances to firms or the Companies in which the Directors were interested.

For and on behalf of the Board

P.M. Murty

Chairman

DIN :00011179

Place: Chennai

Date: 11th May, 2022

Certificate

[Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

In pursuance of sub-clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of **BUTTERFLY GANDHIMATHI APPLIANCES LIMITED (CIN:L28931TN1986PLC012728)**, We hereby certify that:

On the basis of the written representation/declaration received from the Directors and taken on record by the Board of Directors, as on 31st March, 2022, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies, by Securities Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authorities.

Sd/-

For A.K JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR

Partner

FCS No. 5869

C. P. No. 3550

UDIN: F005869D000308501

Place : Chennai

Date : 11th May, 2022

**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 for the year ended on 31st March 2022 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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 year 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 year;
 2. There is no significant changes in accounting policies during the year, 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 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

Mr. Rangarajan Sriram
Managing Director

Mr. R. Nagarajan
Chief Financial Officer

Place : Chennai

Date : 11th May, 2022

**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 31st March, 2022.

For Butterfly Gandhimathi Appliances Limited

Mr. Rangarajan Sriram
Managing Director

Place : Chennai

Date : 11th May, 2022

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 31st March 2022, 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.

Auditors' 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 31st March, 2022.

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 31st March, 2022.

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 11, 2022

Membership No: 202363
UDIN: 22202363AIVKWJ6301

ANNEXURE III

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2022

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

To,
The Members,
M/s. BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
143, Pudupakkam Village,
Vandalur-Kelambakkam Road,
Kelambakkam – 603103
Chengalpattu District

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Butterfly Gandhimathi Appliances Limited (CIN: L28931TN1986PLC012728)** (hereinafter called as "**The Company**"). The 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 on 31st March, 2022, complied with the statutory provisions and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of :

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and rules made thereunder;
- (iii) The Depositories Act, 1996 and regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) 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 ;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

We report that, the following Regulations and Guidelines were not applicable to the Company during the audit period :-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

We further report that with respect to the other laws specifically applicable to the Company are furnished below :

1. Factories Act, 1948;
2. Shop and Establishment Act, 1947;
3. The Legal Metrology Act, 2009;
4. Acts relating to Protection of Intellectual Property Rights;
5. Acts relating to Prevention and Control of Pollution.

We further report that the applicable financial laws such as the Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the purview of statutory audit by other designated professionals.

We have also examined the applicable clauses of the following:

- (i) Listing Agreement entered into by the Company with BSE Limited & National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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.
- b) Adequate notice is duly given to all Directors to schedule the Board Meetings along with Agenda in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which are not included in the Agenda are considered vide supplementary agenda subject to consent of the Board of Directors.
- c) All the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the written representations received from the officials/executives of the Company, we state that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines.

We further report that during the year M/s. Crompton Greaves Consumer Electricals Limited (Acquirer) has filed a Draft Letter of Offer pursuant to SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, for acquisition of up to 46,48,684 Equity Shares of Rs.10/- each representing 26.00% of total voting share capital of the Company. Further, the Acquirer pursuant to the Share Purchase Agreement dated 22.02.2022 has acquired 98,33,754 Equity Shares of ₹.10/- each representing 55% of the total voting share capital of the Company.

We further report that during the audit period, there were no instances of:

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Foreign technical collaborations.
- (iv) Merger/ Amalgamation / Reconstruction, etc.

Sd/-

For A.K JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR

Partner

FCS No. 5869

C. P. No. 3550

UDIN: F005869D000308402

Place : Chennai

Date : 11th May, 2022

This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

'Annexure -A'

To,
The Members,
M/s. BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
143, Pudupakkam Village,
Vandalur-Kelambakkam Road,
Kelambakkam – 603103
Chengalpattu District

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

1. Maintenance of Secretarial Records 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 compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

For A.K JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner

FCS No. 5869
C. P. No. 3550

UDIN: F005869D000308402

Place : Chennai
Date : 11th May, 2022

ANNEXURE IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

[A] Conservation of Energy:

The Company has a well organised, 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 2021-2022 were:

1. New method implemented in Manual Polish Motor for energy saving.
2. Hydraulic Lid embossing – replaced the Flange mounting motor in Hydraulic Power back for the purpose of energy saving.
3. Replacement of conventional light with LED lights in plants resulted in saving of electricity consumption.
4. Variable Frequency Drive (VFD) for energy motor pumps, sunray finishing process resulted in energy conservation.
5. Providing VFD for Induction motors and saving energy.
6. Switching Off the high capacity motors in Presses & Compressors if running idle for specified time.

[B] Technology absorption:

(i) The efforts made towards technology absorption:

Regular initiatives are taken in updating the technology in the process area.

(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.

(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 R&D :

		(₹ in lakhs)	
		2021-22	2020-21
(a)	Capital	217.63	183.47
(b)	Recurring	8.75	3.43
(c)	Total	226.39	186.90

[C] Foreign Exchange earnings and outgo:

		(₹ in lakhs)	
		2021-22	2020-21
	Foreign Exchange earnings	1,352.45	1,003.51
	Foreign Exchange outgo	7,557.01	7,906.94

Place: Chennai
Date: 11th May, 2022

For and on behalf of the Board

P.M. Murty
Chairman
DIN :00011179

ANNEXURE V

Disclosure pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014

1. Ratio of the remuneration to each Whole Time Director to the median remuneration of the employees of the Company for the financial year ended on 31st March 2022.

Name of Director	Ratio of remuneration to the median remuneration of the Company's employees
Mr V M Lakshminarayanan	1:29
Mr. V.M. Balasubramaniam	1:29
Mr. V.M. Seshadri	1:28
Mr. V.M. Gangadharam	1:27
Mr. V.M. Kumaresan	1:27

2. **Percentage increase in remuneration of each Whole Time Director, in the financial year ended on 31st March 2022 :**
There was no increase in remuneration of any one of the above named in the financial year ended on 31st March 2022.
3. **Percentage increase in the median remuneration of employees in the financial year ended on 31st March 2022:**
There was an increase of 7.39 percent in the median remuneration of employees in the financial year ended on 31st March 2022.
4. **Number of permanent employees on the rolls of Company:**
There were 1332 permanent employees on the rolls of Company as on 31st March 2022.
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;**
The Average percentile increases already made in the salaries of employees other than the managerial personnel as on 31st March 2022 is 3.21percent.
6. **Affirmation that the remuneration is as per the remuneration policy of the Company:**
It is hereby affirmed that the remuneration paid to the managing/whole-time Directors and other executives/employees of the Company is as per the remuneration policy of the Company.
7. **The key parameters for any variable component of remuneration availed by the directors; - NIL**
8. **No of employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and Two lakhs - NIL**
9. **No of employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month. - NIL**
10. **No of employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company - NIL**

For and on behalf of the Board

P.M. Murty
Chairman

DIN :00011179

Place: Chennai
Date: 11th May, 2022

ANNEXURE VI

BUSINESS RESPONSIBILITY REPORT

(As required under Regulation 34(2)(f) of SEBI (LODR) Regulations 2015.)

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY:

1.	Corporate Identity Number (CIN) of the Company	L28931TN1986PLC012728
2.	Name of the Company	Butterfly Gandhimathi Appliances Limited
3.	Registered address	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Chengalpattu District
4.	Website	www.butterflyindia.com
5.	E-mail ID	priya.vm@butterflyindia.com
6.	Financial Year Reported	1 st April 2021 to 31 st March 2022
7.	Sector(s) that the Company is engaged in (Industrial activity code-wise)	27504 and 27501
8.	List four key products / services that the Company manufactures/provides (as in Balance Sheet)	LPG Stove, Mixer Grinder, Table Top Wet Grinder, Pressure Cooker.
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	
	(i) Factories	3
	(ii) Corporate Office	1
	(iii) Branches	17
	(iv) Showroom	1
	(v) Service Centre	20
	(vi) Sales Office	8
10.	Markets served by the Company – Local/State/ National / International	Serves Local, State, National and International Markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

(₹ in lakhs)

1.	Paid up Capital (₹)	1787.96
2.	Total Turnover (₹)	1,00,530.40
3.	Total Profit after taxes (₹)	1612.68
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	NA
5.	List of activities in which expenditure in 4 above has been incurred	NA

SECTION C: OTHER DETAILS:

1.	Does the Company have any Subsidiary Company/Companies	No
2.	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors, etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [less than 30%, 30-60%, more than 60%]	Yes. Less than 30%

SECTION D: BR INFORMATION:

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies: Committee consisting of Managing Director and Company Secretary.

DIN : 09550640
Name : Rangarajan Sriram
Designation ; Managing Director

(b) Details of the BR head:

S.No.	Particulars	Details
1.	DIN Number (if applicable)	09550640
2.	Name	Rangarajan Sriram
3.	Designation	Managing Director
4.	Telephone Number	044-47415515
5.	e-mail ID	r.sriram@butterflyindia.com

2. Principle wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines ('NVGs') on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

- **P1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- **P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- **P3** Businesses should promote the well-being of all employees.
- **P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- **P5** Businesses should respect and promote human rights.
- **P6** Businesses should respect, protect and make efforts to restore the environment.
- **P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- **P8** Businesses should support inclusive growth and equitable development.
- **P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policy(ies) has been framed keeping in mind the interests of the stakeholders at large.								
3.	Does the policy conform to any national/ international standards? If yes, specify (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The various practices/processes emanating out of the policy(ies) conform to national/international standards.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/ CEO appropriate Board Meeting?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		https://www.butterflyindia.com/investor-relations/#policies								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policy(ies) has been disseminated on the website of the Company.								
8.	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The individual policies by and large prescribed a grievance redressal mechanism for the stakeholders concerned. Wherever, the individual policies do not explicitly state the grievance redressal mechanism, grievance can be addressed to cs@butterflyindia.com								
10.	Has the Company carried out Independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question of serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – NOT APPLICABLE

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
		Not Applicable								
3.	The Company does not have financial or manpower resources available for the task									

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	It is planned to be done with next 6 months									
5.	It is planned to be done within the next 1 year									Not Applicable
6.	Any other reason (please specify)									

3. Governance related to BR:

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.

The assessment is a continuous process and there is no defined frequency at which this assessment is done.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No.

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

- a. Does the policy relating to ethics, bribery and corruption cover only the company?
Does it extend to the Group/ Joint Ventures/ Suppliers / Contractors/ NGOs/ Others?

Yes, largely applies to the Company

- b. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so

S.No.	Complaints Received	No of Complaints
1.	Non-Receipt of Dividend/Change of Address	2
2.	Transfer of Shares held in Physical form	1
3.	Non-Receipt of Share Certificate	1
4.	Dematerialization of Shares	1
5.	Complaint regarding Open offer pricing	6
Total		11

All the Complaints were replied within stipulated time and resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

We have designed innovative products taking into consideration eco-friendly to environment, fuel conservation especially in LPG Stoves and power saving smart kitchen appliances.

Initiatives to reduce environmental impact:

- Thermal Efficiency improvement in LPG stoves
- Introduction of Stainless steel(SS) Water Bottles to replace plastic bottles
- Three Roller conical stones in Table Top Wet Grinders
- Reduction of Thermocol usage

- Usage of recyclable plastic covers
- Elimination of hazardous operation like Soldering to Wire Hardness
- Elimination of Thermocol usage into LDPE packing type
- Elimination of varnishing in Mixie Motor Field winding to Self-Bonding process
- Introduction of Auto Washing machine in Cooker manufacturing.
- Introduction of Ultrasonic Cleaning system in Flask manufacturing.

Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain ?

- LPG Thermal Efficiency improvement is an innovation in Product Design
- Reduction in consumption of plastic water bottles
- Three roller conical rollers is a design concept
- Procurement & Consumption of Thermocol significantly reduced
- 100% usage of recyclable plastic covers
- Introduction of Food Processor Technology in Mixer Grinder
- Implementation of “Make In India” concept for import Manufacturing.

Reduction during the usage of consumers (energy, water) has been achieved since the previous year ?

- Reduction in consumption of LPG gas for the consumers
- Safe, Hygienic SS water bottle which leads to avoiding one time plastic bottles
- Reduction of grinding time & electrical energy consumption
- Compliance of environmental law to avoid the usage of Thermocol
- Environmental free plastic recyclable covers usage
- Adherence of Government regulations for the OEM & consumers
- Accreditation of SA 8000 certification in Unit-5
- Setting up new plant for LPG Glass Stove and TTWG mfg.

Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

- We have Procurement Policy for domestic & international suppliers
- About 85% of our input materials are sourced sustainably
- Introduction of AOI (Agreement of Inspection) across all vendors
- Introduction of SQA (Supplier Quality Audit) system

Has the Company taken full steps to procure goods and service from local & small producers, including communities surrounding their place of work?

- Localization was the major roadmap activity in the last year
- Localization are in 2 ways, one is import to domestic & other one is domestic to surrounding to our premise.
- Import to Domestic: Toughened Glass, Motor Commutator, Power cords, TTWG/Mixie motors etc.,
- Domestic to Surrounding: Mixing tube, Gas pipe, Gas cock, Pan stand etc.,
- Expanding the Export market to multiple countries

Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

- We do recycling of Aluminium products with our suppliers & ABS materials by in-house @ 5-10%.
- Re-usage of Poly Covers to minimise poly cover procurement.

Principle 3: Businesses should promote the well-being of all employees

- a. Please indicate the total number of employees: 2695
- b. Please indicate the total number of employees hired on temporary/ contractual/casual basis: 1363
- c. Please indicate the Number of permanent women employees: 290
- d. Please indicate the Number of permanent employees with disabilities: Nil
- e. Do you have an employee association that is recognized by management? Nil
- f. What percentage of your permanent employees is members of this recognized employee association? 0%
- g. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl.No.	Category	No. of complaints filed during the financial year	No. of complaints pending on the end of the financial year
1.	Child labour/forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

- h. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
Nil

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

- a. Has the Company mapped its internal and external stakeholders? Yes/No: Yes
- b. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?
The Company is an Equal Opportunity employer; none of the categories is marginalised.
As regards to other stakeholders, the Company has a policy of non-discrimination.
- c. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details, thereof in about 50 words or so:
Not Applicable.

Principle 5: Businesses should respect and promote human rights.

- a. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs/Others?
The policy covers only the Company.
- b. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
There have been no major complaints other than normal shareholders complaints. The Company has a policy to attend the complaints within 48 hours.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

- a. Does the policy related too Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs Others
Largely covers the Company only.
- b. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc.:
No.
- c. Does the Company identify and assess potential environmental risks? Y/N :
No
- d. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?
No
- e. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page, etc.
No. The Company is continuously concentrating on energy savings project.
- f. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes
- g. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial year.
Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

- a. Is your Company member of any trade and chamber or association? If yes, name only those major ones that your business deals with:
Nil
- b. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (drop box, governance and administration, economic reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):
No

Principle 8: Businesses should support inclusive growth and equitable development.

- a. Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8. If yes, details thereof.
The Company has a well-defined CSR Policy. As per the provisions of the Companies Act, 2013 there was no amount required to be spent on CSR for the financial year 2021-22.
- b. Are the programmes/projects undertaken through in-house team /own foundation/ external NGO/ government structures/ any other organization?
In-house team.

c. Have you done any impact assessment of your initiative?

Yes

d. What is your company's direct contribution to community development project. Amount in ₹ and the details of the projects undertaken?

All the projects undertaken by the Company either directly through other agencies are for the benefit of the community at large. The Company has contributed ₹ 10.29 Lakhs during the FY 2021-22 towards Teachers Salary, AMC for RO water for the Schools in Thiruporrur, AMC for RO water for Government Schools.

e. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company's operations have not displaced any community. However the Company is supporting cause like provision of sanitary facilities, contribution to teacher's salary and providing essential infrastructure to schools in rural areas.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Insignificant

b. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/NA/Remarks (additional information) :

Yes

c. Is there any case filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil

d. Did your company carry out any consumer survey/consumer satisfaction trends?

Company carried out formal and informal survey through its Customer Relationship Management and feedback is given to other departments for improving Consumer experience as well as product development.

ANNEXURE VII

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED POLICY FOR APPOINTMENT & EVALUATION OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

POLICY FOR APPOINTMENT & EVALUATION OF BOARD OF DIRECTORS, SENIOR MANAGEMENT INCLUDING KEY MANAGERIAL PERSONNEL

[Pursuant to Section 178(3) of the Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015].

1. PREAMBLE:

Butterfly Gandhimathi Appliances Limited ('The Company') is a widely held public limited company, listed on the Bombay Stock Exchange Ltd and National Stock Exchange Ltd. As per the requirements, the Company should have a formal policy on various aspects relating to determining qualification, positive attributes and independence of the directors and senior management and remuneration to various categories of the senior management of the Company including Key Management Personal. The expression 'Senior Management' means employees of Company who are members of its core management team excluding directors comprising of all members of the senior management one level below the executive directors, including functional heads. The Company ensures and maintains the appropriate balance of skills, experience and knowledge on its Board of Directors ('the Board'), enabling the Board to discharge its functions and duties efficiently and effectively.

The Board consists of members with high professional skills, qualifications and qualities to meet its primary responsibility for promoting the Company's business and ensuring that the interests of shareholders are promoted and adequately protected.

The Company has continued a Nomination and remuneration committee (hereinafter "the Committee"), which is responsible for formulating the criteria for appointment of Directors, including Independent Directors and recommending to the Board the remuneration for Key Managerial personnel and other Senior Management Personnel. The Committee also evaluates annually the performance of every director, pursuant to the provisions of Section 178(2) of the Companies Act 2013 ('the Act').

2. APPOINTMENT OF DIRECTORS

After identifying a person for appointment as a Director of the company, the Committee shall ensure that the person concerned does not suffer from any disqualification for such appointment, as stipulated in section 164 of Companies Act, 2013. The Appointee shall not hold office as a Director, including any alternate directorship in more than twenty companies at the same time, provided also that the maximum number of public companies in which he is a Director should not exceed ten.

The Companies shall recommend to the Board the initial appointment of the identified person as an Additional Director or Alternate Director, as the case may be, in terms of section 161 of the Act read with Company's Articles of Association. A person appointed as Additional Director shall hold office up to the date of the next Annual General Meeting or the last date, on which the Annual General meeting should have been held, whichever is earlier. An alternative Director shall hold office up to the period the Director in whose place he has been appointed would have continued to hold such position. Provided that no person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.

Every Director shall only be appointed by the shareholders in General meeting.

3. APPOINTMENT OF INDEPENDENT DIRECTORS:

An Independent Director in relation to a Company is a Director other than a Managing Director, Whole-time director or Nominee Director, who fulfils the attributes mentioned in section 149(6) of the Act.

The appointment process of the Independent Director, the Committee shall ensure that he possesses appropriate skills, experience and knowledge in one or more fields of finance, law management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

The Committee shall also consider the following factors under section 149(6) of the Act:-

1. Integrity and relevant expertise and experience.
2. Requisite qualification so that he/she will exercise his/her role effectively.
3. Have an expert knowledge in field where the Company operates and shall provide his/her suggestions to the Board members of the Company to arrive at final decision which is in the best interest of the company.
4. Not a promoter or related to promoter of the Company or its holding, subsidiary or associate company;
5. Must not have any material or pecuniary relationship during the two immediately preceding financial years or during the current financial year with the Company, its holding, subsidiary or associate company or their promoters or directors.
6. The relatives of such person should not have had any pecuniary relationship with the Company or its subsidiaries amounting to 2% or more of its gross turnover or total income or Rs.50 lacs or such higher amount as may be prescribed, whichever is less, during the two immediately preceding financial years or in the current financial year;
7. Who neither himself nor any of his relatives –
 - (i) hold or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding year in which he is proposed to be appointed, of-
 - A. A firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - B. Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) Holds together with his relatives two per cent or more of the total voting power of the company ; or
 - (iv) Is a Chief executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipt from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company; or
 - (v) Is not less than 21 years of age

Appointment of Independent Directors, after approval of the committee and the Board, shall be finally approved at the meeting of the Shareholders. The explanatory statement attached to the Notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the independent Director proposed to be appointed fulfils the conditions specified in the Act, the Rules made thereunder and SEBI guidelines and that the proposed Director is independent of the management.

Subject to the provision of section 152 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board, but shall be eligible for reappointment for a further term of five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

The appointment of Independent Directors shall be formalised through a Letter of Appointment, which shall set out:

- a) Term of appointment
- b) The expectation of the Board from the appointed Director, the Board level Committee(s) in which the Director is expected to serve and its tasks;
- c) The fiduciary duties that come with such an appointment along with accompanying liabilities;

- d) Provision for Directors and Officers (D&O) insurance, if any;
- e) The Code of Business ethics that the Company expects its Director and employees to follow;
- f) The list of actions that a Director should not do while functioning as such in the Company; and
- g) The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board's and other meeting and profit related commission, if any.

The terms and condition of appointment of Independent Directors shall be open for inspection at the Registered Office of the Company by any member during normal business hours.

The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.

Schedule IV of the Companies Act (Clause I to III) enumerates the guidelines for professional conduct, role and functions and duties of Independent Directors, which is supplemented by Clause 25 of the SEBI (LODR) Regulations 2015.

4. APPOINTMENT OF DIRECTORS KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

Pursuant to the provisions of Section 203 of the Act, the Company shall have the following whole-time key managerial personnel:-

- (i) Managing Director(s)
- (ii) Whole-time Directors
- (iii) Chief Executive Officer
- (iv) Company Secretary
- (v) Chief Financial Officer and
- (vi) Such other officers as may be prescribed

The Committee shall recommend to the Board appointment or reappointment of a person as the Managing Director/ Whole-time Director of the Company for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of the appointee's term.

All appointments and remuneration payable to Managing Director and Whole-time Director shall be governed by the provisions of Section 196, 197 and 203 and other applicable provisions of the Act and the Rules made thereunder, read with Schedule V to the Act and shall be approved by shareholders at a general meeting.

While recommending the remuneration payable to the Managing Director or Whole-time Director, the Committee shall take into account the experience and achievements of the person, remuneration paid to managerial personnel in similar type of industry, cost of living and the expected contribution from the appointee for the Company's future growth.

The Committee shall also ensure compliance with the provisions of Section 178(4) of the Act, viz.,

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;

The Committee shall recommend to the Board the suitable candidate having the qualifications, experience and background for appointment as the Chief Executive Officer or the Company Secretary or the Chief Financial Officer of the Company. The Board shall appoint them by means of a resolution containing the terms and conditions of their appointment including the remuneration.

Whole-time key managerial personnel (excepting the Managing Director) shall not hold office in more than one Company at the same time.

5. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS:

An annual performance evaluation of an Independent Director shall be carried out by all other Directors at the end of the financial year in the form of a questionnaire as under:

- Attendance of the Independent Director at meetings
- Independent Director's willingness to spend time and effort for learning about the company and its business.
- The quality and value of his contributions at Board Meetings
- His contribution to the development of (i) Strategy and (ii) risk management
- Effectiveness in following up matters about which he has expressed concern
- Resoluteness in holding his views and resisting pressure from others.
- His relationship with other Board members, the CEO, Company Secretary, CFO and senior management
- His communication skills with other Board members, senior management and others (e.g. shareholders)
- Knowledge on latest developments in areas such as the Corporate Governance framework and financial reporting and in the industry and market conditions
- Ability to present his views convincingly and diplomatically
- Participation in discussion related to Internal Audit Report, Cost Audit Report and Secretarial Audit Report.
- Listening to the views of other Board Members.
- **"TO BE ADDED"**
- **Fulfilment of the Independence criteria a specified in these regulations and their independence from the management.**

6. PERFORMANCE EVALUATION OF EXECUTIVE DIRECTORS:

An annual appraisal/evaluation of Executive Directors, viz., Managing Directors and Whole-time Directors shall be carried out by all the other Directors of the company. The annual evaluation shall be carried out in the form of questionnaire as mentioned herein below, to be circulated among other Directors except the Executive Director being evaluated.

- Compliance with Articles of Association, Companies Act, SEBI Guidelines and other laws.
- Strategic planning – Financial and Business
- Monitoring performance against plans
- Compliance with ethical standards and Code of Conduct
- Exercising duties diligently
- Punctuality
- Disclosure of interest
- Leadership skills
- Motivating employees, providing assistance and directions
- Establishment of Internal Control Processors
- Communication Skills
- Attendance and presence in meetings of Board and Committees
- Attendance at General Meetings
- Team work attitudes
- Monitoring policies, encouraging suggestions
- Supervising and Training the Staff Members
- Safeguarding confidential information.

7. EVALUATION OF COMMITTEES OF BOARD:

The Board has constituted the following Committees:-

- i. Audit Committee
- ii. Executive Committee
- iii. Shareholders' Relationship Committee
- iv. Nomination and Remuneration Committee
- v. Corporate Social Responsible Committee

For evaluating the performance of each Committee, the Board of Directors shall take into account the following aspects:

- Compliance with Articles of Association, Companies Act, SEBI Guidelines and other laws
- Compliance with ethical standards and code of conduct of Company
- Committee's accomplishment with reference to performance objectives
- Redressal of Shareholders' complaints and grievances
- Co-ordination with other Committees and Board of Directors
- Fulfilment of roles and responsibilities
- Adherence to Company policies and internal procedures

8. EVALUATION OF CHIEF EXECUTIVE OFFICER:

Strategic Organisation Management:

- Provide the organisation with a vision and leadership and carry out its mission.
- Maintain staff and volunteers focus on its mission and vision and balance organisational priorities through a inclusive strategic planning and management system.
- Seeks out opportunities to improve organisation operations and shift organisation philosophy to integrate developments and programme to function as a strong, cohesive operation.
- Develop policies and strategies for financial management including all revenues, expenses and investments.
- Ensures rigorous accountability and long term stability through their conservative, physical, management of resources.
- Encourages and facilitates plans of technology to enable re-engineering of programs and process to make optimal use of resources
- Decision making – exercise, judgement in researching organising, analysing and presenting information to assist the Board of Directors in setting organisation policies along which the management team makes organisation strategies and decision.
- Exercise, judgement and discretion in communicating with voluntaries and developing recommendations and proposals, interpretation, implementation and indicating alternative and solutions.
- Drive development of channel budget and obtain approval by the Board of Directors
- Supports development – definition of company's wide policies
- Monitor product wise performance and make each product a profit centre
- Allocate and approve resources (i.e., financial, human resources) requirements at various functions
- Periodically refine performance against long term strategy and make mid-course completion
- Improve company's top revenue, gross profit, EBITA, geographical growth, export, sales, sales through new channels like CSD, Online and LFR
- Endeavour to make after sales service very effective and remunerative
- Ensure hygiene in the key areas of sales and marketing, finance & accounts and production.

9. EVALUATION OF COMPANY SECRETARY:

- Compliance with Articles of Association, Companies Act, SEBI Guidelines and other laws
- Compliance with ethical standards and code of conduct of Company
- Reporting to the Board about compliance with applicable laws
- Ensuring compliance with Secretarial Standards
- Assistance to the Board of Directors
- Discharge of duties assigned by Board
- Success of meeting convened
- Preparation of Minutes'
- Attendance and presence in meetings of Board, Committees of Board and General Meeting.
- Assistance in obtaining required approvals from Board, Shareholders, Government and other Authorities
- Representation before various Regulators on behalf of the Company
- Advising Board on Corporate Governance and compliance thereunder
- Punctuality

10. EVALUATION OF CHIEF FINANCIAL OFFICER:

- Meeting Regulatory Reporting requirements
- Development of robust standards and procedures
- Development of management reporting systems to facilitate the detailed performance, monitoring and decision making requirements
- Capabilities for framing the Budgeting and Planning processes timely
- Risk adjustment performance
- Finance cost reduction as a percentage of total revenue
- Shrewd deployment of capital to maximise shareholder returns
- Participation as an active member of the business team
- Elimination of 'non-value added' activities
- Timely and accurate preparation of accounts and other financial statements.
- Adherence of internal controls and zero deviation from the procedures
- Adherence to Audit requirements
- Adherence to Statutory compliance requirements
- Maintaining and improving Company's credit rating
- Ageing analysis of receivables
- Trade creditors payment efficiency
- Attrition level within function team

INDEPENDENT AUDITOR'S REPORT

To the Members of Butterfly Gandhimathi Appliances Limited

Report on the Audit of 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, 2022, and the statement of Profit and Loss (including other comprehensive income), and 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, 2022, 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' 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 matters described below to be the key audit matters to be communicated in our report.

Sl.No	Key Audit Matter	Auditors' Response
1	<p>Inventories:</p> <p>The Company has inventory with the carrying value of ₹ 20,969.14 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 a 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.</p>	<p>Audit Procedures:</p> <p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory. 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. Further, for the purpose of determination of physical quantity of the inventory as at the year end, the Company has conducted an extensive physical verification of inventory and we have observed the process.</p>

Independent Auditors' Report

Sl.No	Key Audit Matter	Auditors' Response
2	<p>Trade receivables – Excepted Credit Loss assessment of trade receivables:</p> <p>The company has a trade receivable of ₹ 10,561.26 lakhs (gross) and ₹ 9,276.74 lakhs (net) as at the year end. Significant management judgement is required to assess the recoverability of trade receivables. Management performed a detailed analysis taking into account customer's ageing profile, credit history and historical payment pattern and the forward-looking information for the estimation of expected credit losses ("ECLs").</p>	<p>Audit Procedures:</p> <p>We have obtained an understanding of the company's process and control over the collection and the assessment of the recoverability of trade receivables. We evaluated the management's assessment on the ECLs of trade receivables with reference to the historical payment records, publicly available information and credit history of the customers and the correspondence with customers. We have verified the completeness and accuracy of the data used in estimation of probability of default and computation of the expected credit loss allowance. We have selected a sample of the customers and tested a sample of invoices to test the accuracy of the ageing data. We have recomputed the expected credit loss allowance considering the above input data and compared the amounts so recomputed with the amounts recorded by the Management to determine if there were any material differences.</p>

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 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

Independent Auditors' Report

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.

Auditors' 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.

Independent Auditors' Report

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 (Auditors' 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 Auditors' Report under Section 197(16) of the Act, in our opinion, and to the best of our information and according to the explanations give 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 Auditors' 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, 2022 on its financial statements – Refer Note No. 5.1.1 to the 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 it's 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 interim dividend declared and paid during the year and until the date of this report by the Company is in compliance with Section 123 of the Act.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006

G N Ramaswami
Partner
Membership No: 202363
UDIN: 22202363AIVKJE7655

Place: Chennai
Date: May 11, 2022

Independent Auditors' Report

Annexure - A

(As referred to in paragraph 7.1 of our Independent Auditors' Report of even date to the members of Butterfly Gandhimathi Appliances Limited)

(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 explanation given to us no material discrepancies were noticed on such physical verification;

(c) According to information and explanations given to us and on the basis of Audit procedures performed by us the title deeds of immovable properties are under the custody of the lenders as security for the various credit facilities sanctioned; as confirmed by lenders and the Mortgage deed executed between bank and the Company, the title deeds are in the name of the Company except a portion of Freehold land situated at Pudupakkam, Kanchipuram District, in respect of which the transfer of title deeds in the name of the Company is pending.

Description of property	Gross carrying value ₹ Lakhs	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Freehold land	10.00	M/s Hercules Metal Processors (Firm)	Erstwhile Directors (promoters) were partners of the firm	From 1990	for want of original revenue records (name change is under process)

(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. 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:

Independent Auditors' Report

(Amounts 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-21	13,240.32	14,766.87	1,526.55	Provisions, Regrouping, Final Entries are not part of Bank data, the details get shared with initial reports.
	Sep-21	11,476.81	14,101.84	2,625.03	
	Dec-21	16,752.93	19,054.52	2,301.59	
	Mar-22	17,338.05	19,867.54	2,529.49	

- 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 per the detailed below.
- The company does not have any subsidiaries, joint ventures or associates. Accordingly, reporting under clause 3(iii) (a) (A) is not applicable.
 - The company has issued corporate guarantee to non-banking financial companies aggregating to ₹ 10 Crores during the year and balance outstanding as at the year-end is ₹ 24 Crores.
- 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 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 become payable.
- (b) According to the information provided and explanations given to us, the details of duty of excise and value added tax that have not been deposited on account of dispute are as under:

Sl.No	Name of the Statute	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

Sl.No	Name of the Statute	Nature of the dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where the dispute is pending
4	Maharashtra Value Added Tax Act, 2002	Value Added Tax (VAT)	30.18	FY 2015-16	Joint Commissioner (Appeals)
5	ESI and labour law related matters	Employees' State Insurance Act, 1948	8.58	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) According to the information and explanations given to us and audit procedures performed by us, term loans were applied for the purposes for which they were obtained.
- (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 accordingly reporting under clause 3 (xi)(a) of the order is not applicable.
- (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 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. As per the provision of Corporate Social Responsibility u/s 135 of The Companies Act, 2013, the company is not required to spend towards corporate social responsibility and hence reporting under clause 3 (xx) 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: 22202363AIVKJE7655

Place: Chennai
Date: 11th May, 2022

Independent Auditors' Report

Annexure - B

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, 2022 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

Independent Auditors' Report

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, 2022, 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: 22202363AIVKJE7655

Place: Chennai
Date: 11th May, 2022

BALANCE SHEET AS AT MARCH 31, 2022

₹ in Lakhs

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	13,372.79	13,068.89
(b) Capital Work-in-Progress	3.1.5	550.42	206.16
(c) Other Intangible Assets	3.2	3,023.21	3,273.13
(d) Intangible Assets Under Development	3.2.1	69.89	70.10
(e) Financial Assets			
(i) Investments	3.3	34.39	28.41
(ii) Other Financial Assets	3.4	370.26	708.14
(f) Other Non- Current Assets	3.5	268.68	345.88
Current Assets			
(a) Inventories	3.6	20,969.14	17,788.11
(b) Financial Assets			
(i) Trade Receivables	3.7	9,276.74	7,436.05
(ii) Cash and Cash Equivalents	3.8	135.50	3,299.82
(iii) Bank Balances other than (ii) above	3.9	988.26	436.42
(iv) Other Financial Assets	3.10	511.67	505.01
(c) Current Tax Assets (Net)	3.11	180.88	-
(d) Other Current Assets	3.12	2,058.96	1,715.53
Total Assets		51,810.79	48,881.65
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	3.13	1,787.96	1,787.96
(b) Other Equity	3.14	21,712.65	20,611.52
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3.15	456.19	1,155.41
(ii) Lease Liabilities	3.16	60.11	105.48
(b) Deferred Tax Liabilities (Net)	3.17	490.16	125.71
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3.18	4,770.28	1,637.88
(ia) Lease Liabilities	3.19	45.37	39.76
(ii) Trade Payables	3.20		
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises; and		1,018.80	1,167.35
b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		13,046.63	15,194.31
(iii) Other Financial Liabilities	3.21	6,761.68	5,343.21
(b) Other Current Liabilities	3.22	804.50	690.54
(c) Short Term Provisions	3.23	856.46	863.98
(d) Current Tax Liabilities (Net)	3.24	-	158.54
Total Equity and Liabilities		51,810.79	48,881.65

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

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

P.R. RAMESH
Independent Director
DIN:01915274

Place: Chennai
Date: 11th May 2022

R. NAGARAJAN
Chief Financial Officer

PRIYA VARSHINEE V M
Company Secretary &
Compliance Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

Particulars	Note No	Year Ended March 31, 2022	Year Ended March 31, 2021
I Revenue from Operations	4.1	1,00,530.40	86,963.81
II Other Income	4.2	194.22	158.05
III Total Income (I+II)		1,00,724.62	87,121.86
IV Expenses			
Cost of Materials Consumed	4.3	48,164.97	35,481.92
Purchase of Stock in Trade		16,512.84	13,978.11
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	4.4	(1,330.16)	1,154.26
Employee Benefits Expense	4.5	9,920.09	7,701.30
Finance Costs	4.6	1,113.44	1,462.78
Depreciation and Amortisation	4.7	1,546.49	1,555.17
Other Expenses	4.8	21,660.15	20,953.46
Total Expenses (IV)		97,587.82	82,287.00
V Profit Before Exceptional Items and Tax (III- IV)		3,136.80	4,834.86
VI Exceptional Items	4.9	660.48	-
VII Profit Before Tax (V- VI)		2,476.32	4,834.86
VIII Tax Expense			
- Current Tax		560.58	896.63
- For Earlier Years		(48.05)	-
- Deferred Tax		351.11	322.42
Total Tax Expense		863.64	1,219.05
IX Profit for the Year (VII- VIII)		1,612.68	3,615.81
X Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plan Actuarial Gains / (Losses)		38.19	79.91
Income Tax expense on above	3.17.2	(13.35)	(27.93)
		24.84	51.98
XI Total Comprehensive Income for the Year (Comprising Profit and other comprehensive Income for the Year) (IX+ X)		1,637.52	3,667.79
XII Earnings Per Equity Share (Face Value of ₹ 10 each)			
(1) Basic in ₹		9.02	20.22
(2) Diluted in ₹		9.02	20.22

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

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

P.R. RAMESH
Independent Director
DIN:01915274

Place: Chennai
Date: 11th May 2022

R. NAGARAJAN
Chief Financial Officer

PRIYA VARSHINEE V M
Company Secretary &
Compliance Officer

Statement of Changes in Equity for the year ended March 31, 2022

₹ in Lakhs	
A. Equity Share Capital	
As at April 01, 2020	1,787.96
Changes in Equity Share Capital during the year	-
As at March 31, 2021	1,787.96
Changes in Equity Share Capital during the year	-
As at March 31, 2022	1,787.96

B. Other Equity

Particulars	Reserves and Surplus					Revaluation Surplus	Other Comprehensive Income (OC) Remeasurement of Net Defined benefit Liability/ Asset	Total
	General Reserve	Security Premium	Capital Profit		Retained Earnings			
			Capital Reserve *	Capital Redemption Reserve **				
Balance as at April 01, 2020	538.56	9,701.53	1.73	142.10	7,072.67	80.08	(56.55)	17,480.12
Total Comprehensive Income for the Year	-	-	-	-	3,615.81	-	-	3,615.81
Other Comprehensive Income for the Year	-	-	-	-	-	-	51.98	51.98
Dividends Paid (₹ 3.00 Per Share)	-	-	-	-	(536.39)	-	-	(536.39)
Balance as at March 31, 2021	538.56	9,701.53	1.73	142.10	10,152.09	80.08	(4.57)	20,611.52
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)
Balance as at March 31, 2022	538.56	9,701.53	1.73	142.10	11,228.38	80.08	20.27	21,712.65

* 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

Place: Chennai

Date: 11th May 2022

P.M. MURTY

Non- Executive Independent Chairman

DIN:00011179

RANGARAJAN SRIRAM

Managing Director

DIN:09550640

P.R. RAMESH

Independent Director

DIN:01915274

R. NAGARAJAN

Chief Financial Officer

PRIYA VARSHINEE V M

Company Secretary & Compliance Officer

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash Flows from Operating Activities		
Profit Before Tax	2,476.32	4,834.86
Adjustments:		
Interest Income	(61.70)	(57.44)
(Gain) / Loss on Sale of Fixed Assets (Net)	(10.09)	1.13
Adjustment for Other Comprehensive Income (OCI)	38.19	79.91
Interest Expense	1,113.44	1,462.78
Provision for Bad & Doubtful Debts	9.23	188.00
Provision for Warranty	110.55	129.93
Provision for Employee Benefits	(118.07)	42.45
Depreciation and Amortization	1,546.49	1,555.17
Other Non Cash Items	66.25	329.20
Operating Cash Flow before Working Capital Changes	5,170.61	8,565.99
Changes in		
Decrease/(Increase) In Trade Receivables	(1,844.57)	4,051.38
Decrease/(Increase) In Inventory	(3,181.03)	(1,075.60)
Decrease/(Increase) In Other Current Financial Asset(s)	(514.39)	(164.84)
Decrease/(Increase) In Other Current Asset(s)	(340.59)	(212.81)
Decrease/(Increase) In Other Non-Current Financial Assets	346.82	(367.32)
Decrease/(Increase) In Other Non-Current Asset	7.20	6.36
(Decrease)/Increase In Trade Payables Current	(2,291.17)	7,776.69
(Decrease)/Increase In Other Current Liabilities	104.51	131.94
(Decrease)/Increase In Other Current Financial Liabilities	1,286.90	2,752.00
(Decrease)/Increase In Short Term Provisions Current	-	(164.41)
Income Taxes paid (net)	(851.95)	(574.05)
Net Cash Generated from / (used in) Operating Activities	(2,107.66)	20,725.33
Cash Flows from Investing Activities		
Purchase of Fixed Assets / Capital Work-in-progress including Capital advances	(1,825.69)	(1,168.04)
Proceeds from Sale of Fixed Assets	17.78	4.73
Interest Received	13.26	26.39
Net Cash Generated from / (used in) Investing Activities	(1,794.65)	(1,136.92)
Cash Flows from Financing Activities		
Dividend Paid	(522.69)	(530.84)
Proceeds from Long Term Borrowings	1,000.00	1,122.07
Repayment of Long Term Borrowings	(2,857.41)	(2,726.81)
Net Increase / (Decrease) in Short Term Borrowings	4,290.59	(12,686.81)
Repayment of Lease Liability	(39.76)	(37.43)
Interest on Lease Liability	(16.92)	(13.00)
Interest Paid	(1,115.99)	(1,496.14)
Net Cash Generated from / (used in) Financing Activities	737.82	(16,368.96)
Effect of Exchange Rate on Translation of Foreign Currency Cash and Cash Equivalents (Loss) / Gain	0.17	0.13
Increase / (Decrease) in Cash and Cash Equivalents	(3,164.49)	3,219.45
Cash and Cash Equivalents at the Beginning of the Year	3,299.82	80.24
Cash and Cash Equivalents at the End of the Year	135.50	3,299.82
Components of Cash and Cash Equivalents (Refer Note 3.8)		
Cash on Hand	39.63	47.87
Balances with Banks	95.87	3,251.95
Total Cash and Cash Equivalents	135.50	3,299.82

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

P.M. MURTY

Non- Executive Independent Chairman
DIN:00011179

RANGARAJAN SRIRAM

Managing Director
DIN:09550640

P.R. RAMESH

Independent Director
DIN:01915274

R. NAGARAJAN
Chief Financial Officer

PRIYA VARSHINEE V M
Company Secretary &
Compliance Officer

Place: Chennai
Date: 11th May 2022

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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.

On February 22, 2022, a Share Purchase Agreement ("SPA") was entered into amongst the Company, erstwhile Promoters and certain members of the erstwhile Promoter group of the Company and Crompton Greaves Consumer Electricals Limited ("Crompton") for the sale of 55% of the issued and paid-up equity share capital of the Company. Subsequent to the acquisition of 55% of the issued and paid-up equity share capital of the Company, Crompton has become the Promoter and Holding Company of the Company with effect from March 30, 2022. In accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the Public Announcement in connection with the Open Offer was made by Crompton on February 22, 2022 for acquisition of 26.00% of the voting share capital of the Company from the public shareholders of the Company. The Draft Letter of Open Offer has been filed by Crompton with the Securities & Exchange Board of India ("SEBI") on March 04, 2022 and SEBI has given final observations on May 10, 2022. Pursuant to this, Crompton will further progress on the open offer process.

2. 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, 2022 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

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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 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

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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.

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.

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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 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.

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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 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

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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 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.

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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'.

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 Estimation of uncertainties relating to COVID-19 pandemic:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company has, at the date of approval of these financial statements, used internal and external sources of information including economic forecasts and expects that the carrying amount of these assets will be recovered. The –impact of COVID-19 on the company's financial statements may differ from that estimated as at the date of approval of these financial statements

2.23 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

3.1 Property Plant and Equipment

₹ in Lakhs

Description	Land - Free Hold	Buildings	Plant and Equipment	Tools and Dies	Electrical Installations and Equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures	Total
Gross Book Value										
As at April 01, 2020	4,020.02	3,235.56	3,945.67	3,198.25	513.34	250.95	172.42	769.06	863.30	16,968.57
Additions during the year	-	15.46	695.27	130.61	29.88	25.81	24.28	76.15	6.69	1,004.15
Deletions during the year	-	-	-	(433.00)	(31.74)	(99.05)	(13.05)	(126.18)	(6.11)	(709.13)
As at March 31, 2021	4,020.02	3,251.02	4,640.94	2,895.86	511.48	177.71	183.65	719.03	863.88	17,263.59
Additions during the year	-	38.41	768.37	389.24	228.37	72.95	30.53	40.60	25.29	1,593.76
Deletions during the year	-	(19.03)	-	-	(1.24)	(0.32)	-	(81.11)	-	(101.70)
As at March 31, 2022	4,020.02	3,270.40	5,409.31	3,285.10	738.61	250.34	214.18	678.52	889.17	18,755.65
Depreciation										
As at April 01, 2020	-	479.06	985.38	1,084.06	198.42	140.22	100.82	246.75	403.70	3,638.41
Charge for the year	-	131.65	407.35	399.43	58.83	54.07	23.51	90.35	94.37	1,259.56
Deletions during the year	-	-	-	(433.00)	(31.73)	(98.68)	(13.06)	(120.70)	(6.10)	(703.27)
As at March 31, 2021	-	610.71	1,392.73	1,050.49	225.52	95.61	111.27	216.40	491.97	4,194.70
Charge for the year	-	125.08	455.66	396.98	67.38	33.80	15.85	88.63	91.35	1,274.73
Deletions during the year	-	(11.59)	-	-	(1.05)	(0.30)	-	(73.63)	-	(86.57)
As at March 31, 2022	-	724.20	1,848.39	1,447.47	291.85	129.11	127.12	231.40	583.32	5,382.86
Net Book Value										
As at March 31, 2022	4,020.02	2,546.20	3,560.92	1,837.63	446.76	121.23	87.06	447.12	305.85	13,372.79
As at March 31, 2021	4,020.02	2,640.31	3,248.21	1,845.37	285.96	82.10	72.38	502.63	371.91	13,068.89

3.1.1. Cost of Freehold Land includes ₹ 10,00,000/- in respect of which the transfer of title in the name of the Company is under process.

3.1.2. Plant and Equipment includes Right Of Use Assets (ROU).

3.1.3. Refer Note No : 3.15 (II) for details of assets given as security for loan availed.

3.1.4. Following are the changes in the carrying value of ROU for the year ended March 31, 2022:

Plant and Equipment

Description	FY 2021-22	FY 2020-21
As at 1st April	188.08	87.51
Add: Additions during the year	-	108.37
Less: Depreciation during the year	12.50	7.80
As at 31st March	175.58	188.08

3.1.5 Capital Work-in-Progress

Description	FY 2021-22	FY 2020-21
As at 1st April	206.16	231.35
Add: Additions during the year	1,526.04	142.36
Less: Capitalized during the year	1,181.78	167.55
As at 31st March	550.42	206.16

Notes forming part of Financial statements as at and for the year ended March 31, 2022

3.1.6 Details of Immovable properties for which title deeds are not held in the name of the Company

₹ in Lakhs

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director.	Property held since which date	Reason for not being held in the name of the Company
Property Plant and Equipment	Land	10.00	Hercules Metal Processors	Erstwhile Directors are partners of the firm	21-03-1990	name change is under process

3.1.7 Capital Work in Progress (CWIP) ageing schedule as at March 31, 2022

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
As at April 01, 2020	176.00	4,297.50	418.72	4,892.22
Additions during the year	-	-	4.53	4.53
As at March 31, 2021	176.00	4,297.50	423.25	4,896.75
Additions during the year	-	-	21.84	21.84
As at March 31, 2022	176.00	4,297.50	445.09	4,918.59
Amortization				
As at April 01, 2020	64.00	955.00	309.01	1,328.01
Amortization for the year	16.00	238.75	40.86	295.61
As at March 31, 2021	80.00	1,193.75	349.87	1,623.62
Amortization for the year	16.00	238.75	17.01	271.76
As at March 31, 2022	96.00	1,432.50	366.88	1,895.38
Net Book Value				
As at March 31, 2022	80.00	2,865.00	78.21	3,023.21
As at March 31, 2021	96.00	3,103.75	73.38	3,273.13

3.2.1 Intangible Assets under development

₹ in Lakhs

Description	FY 2021-22	FY 2020-21
As at 1st April	70.10	65.85
Add: Additions during the year	21.63	4.25
Less: Capitalized during the year	21.84	-
As at 31st March	69.89	70.10

Notes forming part of Financial statements as at and for the year ended March 31, 2022

3.2.2 Intangible assets under development ageing schedule 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	-	-	-	-	-
Total	10.45	-	59.44	-	69.89

3.3 Investments - Non Current

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Mutual Funds (Quoted)		
Reliance - Nippon India large cap fund - Growth plan growth option 30,777.754 units (PY 30,777.754 units)	15.60	12.47
SBI - Equity hybrid fund regular growth 9233.593 units (PY 9233.593 units)	18.79	15.94
Total	34.39	28.41

3.3.1 Aggregate Amount of Quoted Investments

- Cost	20.00	20.00
- Market Value	34.39	28.41

3.4 Other Financial Assets - Non Current

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Long Term Security Deposit	140.41	150.98
Deposits with Authorities	108.38	107.43
Bank Balances held as Margin Money	121.47	449.73
Total	370.26	708.14

3.5 Other Non Current Assets

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	257.46	327.46
Other Receivables	11.22	18.42
Total	268.68	345.88

3.6 Inventories

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials and Components	8,396.07	6,488.45
Work in Progress	1,688.07	1,627.05
Finished Goods	7,215.52	5,923.67
Traded Goods	3,449.72	3,472.43
Consumables	213.02	264.76
Stores	6.74	11.75
Total	20,969.14	17,788.11

Goods in Transit

-

Notes forming part of Financial statements as at and for the year ended March 31, 2022

Write-downs of inventories to net realisable value amounted to ₹ 437.42 lakhs (PY ₹ 25.84 lakhs) was recognized as an expense during the year

Refer Note No: 3.18 for details of assets given as security for loan availed

3.7 Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Considered Good - Secured	65.88	21.48
Considered Good - Unsecured	9,511.19	7,674.94
Have Significant increase in Credit Risk	486.48	96.80
Credit impaired	497.71	257.64
	10,561.26	8,050.86
Less:		
Impairment for Trade Receivable under expected credit loss model	1,284.52	614.81
Total	9,276.74	7,436.05

Refer Note No: 3.18 for details of assets given as security for loan availed

3.7.1 Trade Receivables Ageing Schedule

For the year ended March 31, 2022 (₹ in Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	8,402.25	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
Total	8,402.25	630.45	544.36	486.49	497.71	10,561.26
Less:						
Impairment for Trade Receivable under expected credit loss model	17.67	19.06	352.22	397.86	497.71	1,284.52
Total	8,384.58	611.39	192.14	88.63	-	9,276.74

Notes forming part of Financial statements as at and for the year ended March 31, 2022

For the year ended March 31, 2021 (₹ in Lakhs)

Particulars	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	5,932.45	646.74	921.83	-	195.40	7,696.42
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	88.70	-	88.70
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	105.70	105.70
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	8.10	-	8.10
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	151.94	151.94
Total	5,932.45	646.74	921.83	96.80	453.04	8,050.86
Less:						
Impairment for Trade Receivable under expected credit loss model	4.01	6.47	298.29	48.40	257.64	614.81
Total	5,928.44	640.27	623.54	48.40	195.40	7,436.05

3.8 Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
i) Balances with Banks	80.85	3,251.95
ii) Cash on Hand (Refer Note 3.8.1 below)	39.63	47.87
iii) Bank Balances held as Margin Money (Original Maturity Less than 3 Months)	15.02	-
Total	135.50	3,299.82

3.8.1 Includes INR equivalent of Foreign Currency

3.97 3.94

3.9 Bank Balances other than in 3.8 (i) above

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Balances held as Margin Money	951.79	413.65
Unpaid Dividend account	36.47	22.77
Total	988.26	436.42

Notes forming part of Financial statements as at and for the year ended March 31, 2022

3.10 Other Current Financial Assets

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
- Loans and Advances	511.67	505.01
Total	511.67	505.01

3.11 Current Tax Asset (Net)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Taxes and Refund Due	875.02	-
Less: Provision for Income Tax	694.14	-
Total	180.88	-

3.12 Other Current Assets

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Considered Good		
Balance with Government Authorities	1,273.11	1,097.38
Prepaid Expenses	220.32	231.30
Advances to Suppliers	540.91	365.07
Others	24.62	21.78
Total	2,058.96	1,715.53

3.13 Equity Share Capital

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
4,00,00,000 Equity Shares of ₹10/- each	4,000.00	4,000.00
Total	4,000.00	4,000.00
Issued, Subscribed And Paid Up		
1,78,79,551 Equity Shares of ₹10/- each, Fully Paid Up	1,787.96	1,787.96
Total	1,787.96	1,787.96

3.13.1 Reconciliation of the equity share outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2022		As at March 31, 2021	
	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.

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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.

3.13.3 Shares held by holding Company and/or there subsidiaries/ associates

Name of the Company	As at March 31, 2022		As at March 31, 2021	
	Nos. in Lakhs	₹ in Lakhs	Nos. in Lakhs	₹ in Lakhs
Crompton Greaves Consumer Electricals Limited (Holding Company w.e.f 30.03.2022)	98.34	983.38	-	-

3.13.4 Details of Shareholders Holding more than 5% shares in the Company

S. No	Particulars	As at March 31, 2022		As at March 31, 2021	
		Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
1	Crompton Greaves Consumer Electricals Limited	98.34	55.00%	-	-
2	V.M. Chettiar & Sons India LLP	-	-	35.07	19.62%
3	LLM Appliances Private Limited	-	-	30.47	17.04%
4	DSP Small Cap Fund	10.78	6.03%	-	-
5	Mr.V.M.Seshadri	-	-	9.78	5.47%

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	Promoters Name	As at March 31, 2022			As at March 31, 2021		
		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%	6,98,530	3.91%	-30.21%
2	V.M.Balasubramaniam	91,753	0.51%	-88.29%	7,83,529	4.38%	37.43%
3	V.M.Seshadri	2,78,207	1.56%	-71.56%	9,78,344	5.47%	-21.84%
4	V.M.Gangadharam	83,453	0.47%	-89.24%	7,75,229	4.34%	56.90%
5	V.M.Kumaresan	90,646	0.51%	-88.41%	7,82,422	4.38%	60.40%
6	V.M.L.Shenbagalakshmi	2,17,750	1.22%	-	2,17,750	1.22%	-
7	V.M.B.Unnamalai	1,86,454	1.04%	-14.37%	2,17,750	1.22%	-
8	V.M.S.Karpagam	-	-	-100.00%	4,351	0.02%	-98.00%
9	V.M.G.Sivakami	1,94,754	1.09%	-10.56%	2,17,750	1.22%	-
10	V.M.K.Mangalam	1,87,561	1.05%	-14.33%	2,18,947	1.22%	-
11	V.M.L.Karthikeyan	53,703	0.30%	-35.84%	83,700	0.47%	1.21%
12	V.M.S.Namasivayam	-	-	-100.00%	16,495	0.09%	-
13	Gangadharam Viswanathan	-	-	-100.00%	16,100	0.09%	-
14	V.M.L.Senthilnathan	-	-	-100.00%	11,055	0.06%	-
15	V.M.G.Mayuresan	-	-	-100.00%	3,311	0.02%	-
16	V.M.S.Kumaraguru	1,344	0.01%	-59.81%	3,344	0.02%	-
17	V.M.Chettiar & Sons India LLP	-	-	-100.00%	35,07,100	19.62%	-
18	LLM Appliances Private Limited	-	-	-100.00%	30,46,565	17.04%	-
19	Crompton Greaves Consumer Electricals Limited	98,33,754	55.00%	100.00%	-	-	-

Notes forming part of Financial statements as at and for the year ended March 31, 2022

3.14 Other Equity

For the year ended March 31, 2022
₹ in Lakhs

Particulars	Reserves and Surplus				Revaluation Surplus	Other Comprehensive Income (OCI)		Total
	General Reserve	Security Premium	Capital Profit			Remeasurement of Net Defined benefit Liability/ Asset	Total	
			Capital Reserve *	Capital Redemption Reserve **				
Balance as at April 01, 2021	538.56	9,701.53	1.73	142.10	80.08	(4.57)	20,611.52	
Total Comprehensive Income for the Year	-	-	-	-	-	-	1,612.68	
Other Comprehensive Income for the Year	-	-	-	-	-	24.84	24.84	
Dividends Paid (₹ 3.00 Per Share)	-	-	-	-	-	-	(536.39)	
Balance as at March 31, 2022	538.56	9,701.53	1.73	142.10	80.08	20.27	21,712.65	

For the year ended March 31, 2021
₹ in Lakhs

Particulars	Reserves and Surplus				Revaluation Surplus	Other Comprehensive Income (OCI)		Total
	General Reserve	Security Premium	Capital Profit			Remeasurement of Net Defined benefit Liability/ Asset	Total	
			Capital Reserve *	Capital Redemption Reserve **				
Balance as at April 01, 2020	538.56	9,701.53	1.73	142.10	80.08	(56.55)	17,480.12	
Total Comprehensive Income for the Year	-	-	-	-	-	-	3,615.81	
Other Comprehensive Income for the Year	-	-	-	-	-	51.98	51.98	
Dividends Paid (₹ 3.00 Per Share)	-	-	-	-	-	-	(536.39)	
Balance as at March 31, 2021	538.56	9,701.53	1.73	142.10	80.08	(4.57)	20,611.52	

* Forfeited Shares (Transferred from Share Capital)

** On Redemption of Preference Shares

Notes forming part of Financial statements as at and for the year ended March 31, 2022

3.15 Non Current Liabilities

Borrowings - Non Current

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Term Loan		
(i) Secured		
- Banks	933.70	1,718.12
- Others	2.18	1,075.17
	935.88	2,793.29
Less: Current Maturities of Long term Debts	479.69	1,637.88
Total	456.19	1,155.41

I Terms of Payment:

- Term Loans from Banks (including vehicle loans) are repayable over a period of 2 to 6 years;
- Term Loans from Others (including vehicle loans) are repayable over a period of 3 to 7 years.

II Security Provided:

a. Term Loans from Banks are Secured by

- First charge by way of hypothecation of specific Plant and Machinery and Other Fixed Assets / Vehicles acquired out of loans.
- Collateral security of ₹117.50 lakhs in fixed deposit with Indusind bank against the term loan.
- Personal Guarantee of the erstwhile Promoter Directors

b. Other Term Loans:

- Vehicle Loans are Secured by hypothecation of vehicles purchased out of such loans;
- Other Term Loans are Secured by hypothecation of first and exclusive charge on movable fixed assets purchased out of the said loan and Equitable Mortgage of Undivided share of Land and office complex Building at Egattur.
- Personal Guarantee of the erstwhile Promoter Directors.

3.16 Lease Liability - Non Current

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability	105.48	145.24
Less: Current Maturities of Lease Liability	45.37	39.76
Total	60.11	105.48

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, 2022	As at March 31, 2021
Deferred Tax Liability		
Property, Plant and Equipment	1,762.85	1,810.72
Right of Use Assets	61.35	65.72
Sub Total	1,824.20	1,876.44

Notes forming part of Financial statements as at and for the year ended March 31, 2022

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Provision for Bad and Doubtful Debts	350.72	214.84
Provision for Advances	33.15	17.46
Financial Guarantee	9.95	-
MAT Credit Entitlement	798.34	1,354.67
Remeasurements of defined benefit plan actuarial gains/ (losses) - OCI	(9.78)	3.57
Employee Benefits	114.80	109.44
Lease Liability (ROU Assets)	36.86	50.75
Sub Total	1,334.04	1,750.73
Net Deferred Tax Assets / (Liabilities)	(490.16)	(125.71)

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
Total	(125.71)	(351.10)	(13.35)	(490.16)

Movement in Deferred Tax balances during the year ended March 31, 2021

₹ in Lakhs

Particulars	Balance As at April 01, 2020	Recognised in Profit & Loss	Recognised in OCI	Balance As at March 31, 2021
Property, Plant and Equipment	(1,909.96)	99.24	-	(1,810.72)
Right of Use Assets	(30.58)	(35.14)	-	(65.72)
Brought forward Business Losses	1,521.55	(1,521.55)	-	-
Provision for Advances	-	17.46	-	17.46
Provision for Bad and Doubtful Debts	149.12	65.72	-	214.84
MAT Credit Entitlement	337.28	1,017.39	-	1,354.67
Remeasurement of Defined Benefit Plan	31.50	-	(27.93)	3.57
Employee Benefits	100.55	8.89	-	109.44
Lease Liability (ROU Assets)	25.96	24.79	-	50.75
Others	(0.78)	0.78	-	-
Total	224.64	(322.42)	(27.93)	(125.71)

Unrecognised Deferred Tax Assets - Nil (Previous year - Nil)

Notes forming part of Financial statements as at and for the year ended March 31, 2022

3.17.2 Tax Recognised in Other Comprehensive Income

₹ in Lakh

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Defined benefit plan Actuarial Gains (Losses)	(13.35)	(27.93)
Total	(13.35)	(27.93)

3.17.3 Reconciliation of Effective Tax Rates

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit Before Tax	2,476.32	4,834.86
Enacted Tax Rate (under Normal Provisions)	34.94%	
Enacted Tax Rate (under MAT)		17.47%
Computed Expected Tax Expenses - Normal Provision*	865.33	-
Computed Expected Tax Expenses - MAT**	-	844.75
Non-deductible expenses	58.16	41.53
Ind AS Transition Adjustment	-	(3.61)
OCI Income / (Expenses)	13.35	13.96
MAT Credit utilised during the year	(607.05)	-
Current Tax	560.58	896.63
For Earlier Years	(48.05)	-
Deferred Tax	364.46	350.35
Tax Expenses for the year	876.99	1,246.98

* For the FY 2021-22, 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.

** For the FY 2020-21, as the Company was liable to pay tax under section 115JB of the Income Tax Act 1961, the effective tax rate reconciliation had been presented as per the rate applicable for MAT.

3.18 Current Liabilities

Borrowings - Current

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
- Secured Demand Loans from Banks (Refer note 3.18.1 below)	4,290.59	-
- Current Maturities of Long Term Debt	479.69	1,637.88
Total	4,770.28	1,637.88

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 and also by the paripassu second charge on other Fixed Assets, other than the Fixed Assets mentioned in the note no. 3.15 above, of the Company at Pudupakkam along with personal Guarantee of erstwhile Directors.

Notes forming part of Financial statements as at and for the year ended March 31, 2022

3.19 Lease Liability - Current

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Current Maturities of Lease Liability	45.37	39.76
Total	45.37	39.76

3.20 Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises; and (Refer note 3.20.1 below)	1,018.80	1,167.35
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises (Refer note 3.20.2 below)	13,046.63	15,194.31
Total	14,065.43	16,361.66

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, 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	1,018.79	-	-	-	-	1,018.79
(ii) Others	11,488.20	1,527.61	10.28	11.52	9.03	13,046.64
(iii) Disputed Dues- MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
Total	12,506.99	1,527.61	10.28	11.52	9.03	14,065.43

For the year ended March 31, 2021

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	1,167.35	-	-	-	-	1,167.35
(ii) Others	13,298.71	1,872.61	12.80	1.91	8.28	15,194.31
(iii) Disputed Dues- MSME	-	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-	-
Total	14,466.06	1,872.61	12.80	1.91	8.28	16,361.66

Notes forming part of Financial statements as at and for the year ended March 31, 2022

3.21 Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for Capital Goods and Services	126.91	62.95
Unclaimed Dividends	36.47	22.77
Payable to Employees	984.03	575.17
Security Deposits from Customers	265.76	263.76
Financial Guarantee Liability	28.47	-
Provision for Expenses	5,320.04	4,418.56
Total	6,761.68	5,343.21

3.22 Other Current Liabilities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Liabilities	234.92	244.32
Advance from Customers	523.70	409.81
Others	45.88	36.41
Total	804.50	690.54

3.23 Short Term Provision

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	13.90	131.97
Provision for Warranties	842.56	732.01
Total	856.46	863.98

3.24 Current Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax	-	1,023.37
Less: Advance Tax and Tax Deducted at Source	-	864.83
Total	-	158.54

4.1 Revenue From Operations

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products	99,699.79	86,553.16
Scrap Sales	830.61	410.65
Total	1,00,530.40	86,963.81

Notes forming part of Financial statements as at and for the year ended March 31, 2022

4.2 Other Income

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Change in fair value of Financial Assets	5.98	10.01
Interest income from Financial Assets measured at Amortised cost	61.70	57.44
Profit on Sale of Asset	10.09	-
Exchange Fluctuation (Net)	41.74	37.90
Other Non-Operating Income	74.71	52.70
Total	194.22	158.05

4.3 Cost of Materials Consumed

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Stock		
Raw Materials and Components	6,753.21	4,826.83
Add: Cost of		
Raw Materials and Components	47,956.50	35,722.23
Processing Charges	2,064.35	1,686.07
Less: Closing Stock		
Raw Materials and Components	8,609.09	6,753.21
Total	48,164.97	35,481.92

4.4 Changes in Inventories of Finished Goods , Work-in-Progress and Stock in trade

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Balance		
Work in Progress	1,627.05	1,245.11
Finished Goods	5,923.67	7,042.71
Stock in Trade	3,472.43	3,889.59
Less Closing Balance		
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
Total	(1,330.16)	1,154.26

4.5 Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages, Bonus etc. (including payment to contractors)	8,358.11	6,441.56
Contribution to Provident and Other Funds	533.81	490.56
Staff Welfare Expenses	1,028.17	769.18
Total	9,920.09	7,701.30

Notes forming part of Financial statements as at and for the year ended March 31, 2022

4.6 Finance Cost

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest cost on Financial Liabilities measured at Amortized cost	1,033.10	1,392.91
Other Borrowing Cost - Processing Fee	80.34	69.87
Total	1,113.44	1,462.78

4.7 Depreciation and Amortisation

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation / Amortisation for the year		
- Tangible Assets	1,274.73	1,259.56
- Intangible Assets	271.76	295.61
Total	1,546.49	1,555.17

4.8 Other Expenses

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Power and Fuel	947.29	779.55
Rent	502.30	331.12
Repairs and Maintenance		
- Buildings	14.21	5.85
- Machinery	466.19	279.36
- Others	522.11	408.83
Freight Outward	3,877.44	3,682.16
Ware House Charges	1,654.04	1,391.33
Insurance	93.83	67.03
Rates and Taxes	194.91	172.30
Travel and Conveyance	852.07	628.03
Communication	48.36	54.42
Payment made to Auditors (Refer Note: 4.8.1 Below)	20.83	20.16
Professional and Consultancy Charges	296.64	234.49
Advertisement, Publicity and Sales Promotion Expenses	8,352.74	9,409.20
Cash Discount	912.22	769.06

Notes forming part of Financial statements as at and for the year ended March 31, 2022

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sales Commission	725.53	694.27
Service Centre Expenses	713.35	559.85
Director's Sitting Fees	43.80	29.20
Bank Charges	260.81	274.52
Provision for Doubtful Debts	9.23	188.00
Miscellaneous Expenses	1,152.25	974.73
Total	21,660.15	20,953.46

Note 4.8.1 Payment made to Auditors

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
a) As Statutory Auditor		
i. Audit Fees	18.00	18.00
ii. Other Services	0.45	0.25
iii. Out of Pocket Expenses	0.28	0.16
b) As Cost Auditor		
i. Audit Fees	1.75	1.75
ii. Out of Pocket Expenses	0.35	-
Total	20.83	20.16

4.9 Exceptional Items

₹ in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Provision for Doubtful Debts (refer note below)	660.48	-
Total	660.48	-

Note: Exceptional items represents additional provision for expected credit loss on receivables based on recent deterioration in probability of realisation of certain receivables.

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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, 2022	As at March 31, 2021
Central Excise / Customs of which ₹ 3.31 lakhs (PY ₹ 23.78 lakhs) have been paid under protest – Refer Note below	66.24	2,014.05
VAT / Sales Tax of which ₹ 26.47 lakhs (PY ₹33.43 lakhs) have been paid under protest	128.66	162.25
Employee State Insurance and Labour matter of which ₹ 22.77 lakhs (PY ₹ 26.88 lakhs) have been paid under protest	49.80	73.75
Total	244.70	2,250.05

Note: The demands raised by the Central Excise Department on earlier assessment aggregating to ₹1,899.67 lakhs have been allowed in favour of the Company by the CESTAT. Aggrieved, the department has filed an appeal with the Honourable Supreme Court, which is pending disposal. As regards Customs, the appeal filed by the Company against a demand of ₹ 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

5.2 Capital Commitments

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Commitments (net of advance)	618.48	634.89

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:

As at March 31, 2022 (₹ in Lakhs)

Particulars	Amortized Cost	Financial Assets/ Liabilities at fair value through profit or loss	Financial Assets/ Liabilities at fair value through OCI
Assets:			
Non Current Investment	-	34.39	-
Other Non - Current Financial Assets	370.26	-	-
Current Trade Receivables	9,276.74	-	-
Cash & Cash Equivalents	135.50	-	-
Other Bank Balances	988.26	-	-
Other Financial Assets	511.67	-	-
Liabilities:			
Long term Borrowings	456.19	-	-
Other Non - Current Financial Liabilities	60.11	-	-
Short Term Borrowings	4,770.28	-	-
Lease Liabilities	45.37	-	-
Trade Payables	14,065.43	-	-
Other Current Financial Liabilities	6,761.68	-	-

Notes forming part of Financial statements as at and for the year ended March 31, 2022

(₹ in Lakhs As at March 31, 2021)

Particulars	Amortized Cost	Financial Assets/ Liabilities at fair value through profit or loss	Financial Assets/ Liabilities at fair value through OCI
Assets:			
Non Current Investment	-	28.41	-
Other Non- Current Financial Assets	708.14	-	-
Current Trade Receivables	7,436.05	-	-
Cash & Cash Equivalents	3,299.82	-	-
Other Bank Balances	436.42	-	-
Other Financial Assets	505.01	-	-
Liabilities:			
Long term Borrowings	1,155.41	-	-
Other Non- Current Financial Liabilities	105.48	-	-
Short Term Borrowings	1,637.88	-	-
Lease Liabilities	39.76	-	-
Trade Payables	16,361.66	-	-
Other Current Financial Liabilities	5,343.21	-	-

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 tables present fair value hierarchy of Assets and Liabilities measured at fair value:

₹ in Lakhs

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Mutual Funds	34.39	-	-	34.39	28.41	-	-	28.41
Financial Liability								
Financial Guarantee Liability*	-	-	28.47	28.47	-	-	-	-

* Represents fair value of First Loss Default Guarantee (FLDG) – ₹ 2,400 Lakhs

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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 57.05% 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 Lakhs

Foreign Currency Exposure	Liabilities		Assets	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	3.44	4.12	2.59	4.49

₹ in Lakhs

USD sensitivity at year end	As at March 31, 2022	As at March 31, 2021
Receivables:		
Weakening of INR by 5%	10.15	16.43
Strengthening of INR by 5%	(10.15)	(16.43)
Payables:		
Weakening of INR by 5%	(13.25)	(15.06)
Strengthening of INR by 5%	13.25	15.06

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.

Notes forming part of Financial statements as at and for the year ended March 31, 2022

At the reporting date, the interest rate profile of the Company's interest - bearing financial instruments are as follows:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Rate Instruments		
Financial Asset		
- Margin Money with Bank	1,088.28	863.38
Financial Liabilities		
- Term Loan from Bank / Others	935.88	2,793.29
- Lease Liability	105.48	145.24
Variable Rate Instruments		
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 March 31, 2022	As at March 31, 2021
Interest Expenses arising on account of variable rate of interest on short term borrowings	107.88	414.79
Impact on Interest Cost:		
Increase in 100 basis point (Increase in Interest Cost)	(12.97)	(40.53)
Decrease in 100 basis points (Decrease in Interest Cost)	12.97	40.53

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 ₹ 9,276.74 lakhs and ₹ 7,436.05 lakhs as of March 31, 2022 and March 31, 2021, 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. With respect to retention money no credit risk is estimated as per terms of the arrangement and accordingly management has not provided for credit loss for the retention money.

Expected credit loss provision matrix provided below.

Particulars	Overdue Period		
	Within the credit period	0-180 days	More than 180 days
Trade Receivables			
31.03.2022	-	0.47%	58.68%
31.03.2021	-	0.11%	28.83%

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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, 2022		As at March 31, 2021	
	Gross	Impairment	Gross	Impairment
Within the credit period	4,643.55	-	2,233.24	-
0 to 180 days	3,758.70	17.67	3,699.21	4.01
More than 180 days	2,159.01	1,266.85*	2,118.41	610.80
Total	10,561.26	1,284.52	8,050.86	614.81

* Includes specific provision provided during the year to the tune of ₹ 660.48 Lakhs for identified Customers.

Movement in Provision for Doubtful Debts	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	614.81	426.81
Add: Provided for the year	669.71	188.00
Less: Utilization for the year	-	-
As at the end of the year	1,284.52	614.81

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.

As at March 31, 2022 (₹ in Lakhs)

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	14,065.43	-	-	-	-	14,065.43
Other Financial Liabilities	6,761.68	-	-	-	-	6,761.68
Lease Liability	21.94	23.43	60.11	-	-	105.48

Notes forming part of Financial statements as at and for the year ended March 31, 2022

As at March 31, 2021 (₹ in Lakhs)

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	824.09	813.79	575.42	351.79	228.20	2,793.29
Short Term Borrowings	-	-	-	-	-	-
Security Deposits	263.76	-	-	-	-	263.76
Trade Payables	16,361.66	-	-	-	-	16,361.66
Other Financial Liabilities	5,343.21	-	-	-	-	5,343.21
Lease Liability	19.22	20.54	88.95	16.53	-	145.24

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, 2022 is ₹ 23,500.61 Lakhs. (Previous Year: ₹ 22,399.48 Lakhs).

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Debt	5,331.95	2,938.53
Total Equity	23,500.61	22,399.48
Debt to Equity Ratio	0.23	0.13

9. Disclosures Required Under the "Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. Principal amount due to Suppliers under the Act	1,018.80	1,167.35
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	-	-
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	-	-
g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	-	-

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, 2022

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, 2022	As at March 31, 2021
LPG Stoves	24,820.22	22,327.74
Mixer Grinder	29,543.70	25,288.76
Table Top Wet Grinder	10,567.30	10,198.17
Pressure Cooker	16,900.86	13,097.12
Others	18,698.32	16,052.02
Total Revenue from Contract with Customers	1,00,530.40	86,963.81

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, 2022	As at March 31, 2021
Advance from Customers	523.70	409.81

c) Reconciliation of Revenue recognized with the contracted price and adjustments:

₹ in Lakhs

Description	As at March 31, 2022	As at March 31, 2021
Transaction price	1,05,479.22	92,052.73
Less: Sales Return	(3,844.62)	(3,911.00)
Less: Schemes, Discounts & Refund Liability	(1,104.20)	(1,177.92)
Net Revenue	1,00,530.40	86,963.81

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, 2022	As at March 31, 2021
Balance as at the beginning of the year	145.24	74.30
Additions	-	108.37
Finance cost accrued during the year	16.92	13.00
Deletions	-	-
Payment of lease liabilities	(56.68)	(50.43)
Balance as at the end of the year	105.48	145.24

Notes forming part of Financial statements as at and for the year ended March 31, 2022

b) Following amount were recognized as expense

₹ in Lakhs

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Depreciation of right of use assets	12.50	7.80
Expense relating to short term leases	2,528.31	2,043.20
Interest on lease liabilities	16.92	13.00
Total amount recognized in statement of Profit & Loss	2,557.73	2,064.00

c) Maturity analysis of lease liabilities under Ind AS 116

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Within 1 year	45.37	39.76
Between 1 to 3 years	60.11	88.95
Between 3 to 5 years	-	16.53

d) The Company has committed to leases of Plant & Machinery which will commence in financial year 2022-23 having monthly lease payments of ₹ 10.44 Lakhs and security deposit & advance rentals made for such leases is ₹ 102.10 Lakhs.

e) 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	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation - Beginning of the year	996.86	987.70
Current Service Cost	117.76	125.18
Interest Cost	67.60	62.67
Past Service Cost	-	-
Benefits Paid	(45.48)	(87.72)
Re-measurements - Actuarial Loss / (Gain)	(43.87)	(90.97)
Defined Benefit Obligation - End of the year	1,092.87	996.86

Notes forming part of Financial statements as at and for the year ended March 31, 2022

Movement in Plan Asset:

₹ in Lakhs

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Fair value of Plan Assets at Beginning of Year	864.89	733.77
Employer Contributions	199.87	178.17
Benefits Paid	(45.48)	(87.72)
Re-measurements – Return on Plan Assets	65.38	51.73
Re-measurements - Actuarial (Loss) / Gain	(5.68)	(11.06)
Fair value of Plan Assets at End of Year	1078.98	864.89

Amount Recognized in Statement of Profit and Loss

₹ in Lakhs

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Current Service Cost	117.76	125.18
Curtailment Cost/(Credit)	-	-
Net Interest on Net Defined Benefit Liability / (Assets)	2.22	10.95
Past Service Cost	-	-
Cost Recognized in Profit and Loss	119.98	136.13

Amount Recognized in Other Comprehensive Income (OCI)

₹ in Lakhs

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Actuarial (Gain) / Loss due to assumption changes	(43.87)	(90.97)
Difference between Actual Return and Interest Income on Plan Assets- (Gain) / Loss	5.68	11.06
Actuarial (Gain) / Loss recognized in OCI	(38.19)	(79.91)

Sensitivity Analysis

₹ in Lakhs

Assumption	Change in Assumption	As at March 31, 2022	As at March 31, 2021
Discount Rate	+0.50%	(54.02)	(50.65)
	-0.50%	58.63	55.11
Salary Growth Rate	+0.50%	54.34	50.77
	-0.50%	(50.70)	(47.29)

Actuarial Assumption

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	7.33%	6.94%
Rate of Salary Increase	7.00%	7.00%
Attrition Rate	3.50%	3.50%
Retirement Age	60 Years	60 Years
Average Future Service	14.4 Years	14.6 Years

Notes forming part of Financial statements as at and for the year ended March 31, 2022

Expected Benefit Payments

₹ in Lakhs

S.No.	Year of payment	As at March 31, 2022	As at March 31, 2021
1	Year 1	48.21	41.67
2	Year 2	108.46	85.79
3	Year 3	66.55	75.09
4	Year 4	81.42	77.16
5	Year 5	66.81	57.44
6	Next 5 Years	440.09	383.11

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:

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
No of Customer	1	1
Revenue (₹ in Lakhs)	23,406.43	22,407.85

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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:

₹ in Lakhs

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
India	99,177.95	85,960.30
Outside India	1,352.45	1,003.51
Total	1,00,530.40	86,963.81

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:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
India	17,284.99	16,964.16
Outside India	-	-
Total	17,284.99	16,964.16

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, 2022	For the Year Ended March 31, 2021
Profit for the year, attributable to the owners of the Company	₹ 1,612.68 Lakhs	₹ 3,615.81 Lakhs
Earnings used in calculation of basic earnings per share (A)	₹ 1,612.68 Lakhs	₹ 3,615.81 Lakhs
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	1,78,79,551	1,78,79,551
Basic EPS = (A/B) (Face Value of ₹10 per share)	₹ 9.02	₹ 20.22

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, 2022	For the Year Ended March 31, 2021
Profit for the year, attributable to the owners of the Company	₹ 1,612.68 Lakhs	₹ 3,615.81 Lakhs
Earnings used in calculation of basic earnings per share (A)	₹ 1,612.68 Lakhs	₹ 3,615.81 Lakhs
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	1,78,79,551	1,78,79,551
Diluted EPS = (A/B) (Face Value of ₹10 per share)	₹ 9.02	₹ 20.22

Notes forming part of Financial statements as at and for the year ended March 31, 2022

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, 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

For the Year ended March 31, 2021 (₹ in Lakhs)

Particulars	Balance as at April 01, 2020	Additions during the year	Utilization during the year	Reversal during the year	Balance as at March 31, 2021
Provision for Warranties	602.08	708.31	578.38	-	732.01

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, 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	(1,784.42)	933.70
Term Loan from Others	1,075.17	-	(1,072.99)	2.18
Total	2,793.29	1,000.00	(2,857.41)	935.88

For the Year ended March 31, 2021 (₹ in Lakhs)

Particulars	As at April 01, 2020	Proceeds	Repayments	Others	As at March 31, 2021
Term Loan from Bank	1,542.03	1,122.07	(945.98)	-	1,718.12
Term Loan from Others	2,804.47	-	(1,780.83)	51.53	1,075.17
Total	4,346.50	1,122.07	(2,726.81)	51.53	2,793.29

(ii) Short Term Borrowings

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	-	-	-	-
Total	-	4,290.59	-	4,290.59

Notes forming part of Financial statements as at and for the year ended March 31, 2022

For the Year ended March 31, 2021 (₹ in Lakhs)

Particulars	As at April 01, 2020	Cash Flow	Foreign Exchange Movement	As at March 31, 2021
Working Capital Facilities	12,686.81	(12,686.81)	-	-
Other Short Term Borrowings	-	-	-	-
Total	12,686.81	(12,686.81)	-	-

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

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. M. Padmanabhan - Independent Director
 Mr. A. Balasubramanian - Independent Director
 Mr. G.S. Samuel - Independent Director
 Mr. T.R. Srinivasan - Independent Director
 Mrs. Maheshwari Mohan - Independent Director
 Mr. Rangarajan Sriram - Managing 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 (Appointed w.e.f. 30.03.2022)
 Mr. K.S. Ramakrishnan - Company Secretary & General Manager (Legal) (CS) (Deceased on 18.05.2021)
 Mr. R. Nagarajan - Chief Financial Officer (CFO)
 Mrs. Priya Varshinee V M - Deputy Company Secretary cum Compliance Officer (Appointed w.e.f. 30.06.2021)

Relatives of Key Managerial Personnel:

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)

Notes forming part of Financial statements as at and for the year ended March 31, 2022

Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives

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

Compensation to Key Managerial Persons (KMP)

17.1 Managerial Remuneration:

i. Directors :-

Particulars	₹ in Lakhs	
	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Short-term employee benefits	415.04	394.96
Post-employment benefits (PF)	55.87	38.51
Total	470.91	433.47

Particulars	₹ in Lakhs	
	As at March 31,2022	As at March 31,2021
Payable	55.40	42.46

ii. Others (CFO & CS) :-

Particulars	₹ in Lakhs	
	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Remuneration and Short-term Benefits	42.07	50.16
Post-employment benefits	1.92	3.01
Total	43.99	53.17

Particulars	₹ in Lakhs	
	As at March 31,2022	As at March 31,2021
Payable	2.94	3.42

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.

Notes forming part of Financial statements as at and for the year ended March 31, 2022

Transactions during the year and outstanding balances

a. Enterprises owned or significantly influenced by Key Management Personnel or their Relatives:

₹ in Lakhs

S.No.	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
1	Purchase of Goods	8,250.66	3,993.41
2	Services Received	4,326.89	4,424.42
	- Warehousing	982.70	1,070.96
	- Freight	3,308.28	3,317.10
	- Others	35.91	36.36
3	Sales and Services	346.73	173.78
	Total	12,924.28	8,591.61

b. Outstanding balances:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Receivable	-	0.29
Payable	866.14	725.33

c. Remuneration & Perquisites to Relatives of KMP

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration and Short-term benefits	206.80	182.25
Post-employment benefits	21.59	20.13
Total	228.39	202.38

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.

d. Outstanding balances:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Payable	21.48	7.04

18. Details of CSR Expenditure

₹ in Lakhs

Particulars	For the Year Ended March 31, 2022		For the Year Ended March 31, 2021	
	In Cash	Yet to be Paid in Cash	In Cash	Yet to be Paid in Cash
a. Gross amount required to be spent during the Year	-	-	-	-
b. Amount spent during the year				
i. Construction/acquisition of any asset	-	-	-	-
ii. On purposes other than (i) above	-	-	-	-

During the year the Company has spent ₹ 10.29 lakhs for CSR activities.

Notes forming part of Financial statements as at and for the year ended March 31, 2022

19. Ratios

Key Ratios of the Company are summarized below

As at March 31, 2022

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance (%)	Reason for Variance
Current Ratio	34,121.15	27,303.73	1.25	1.24	0.58	
Debt Equity Ratio	5,331.95	23,500.61	0.23	0.13	72.95	Short Term Debt increased comparing with PY
Debt Service Coverage Ratio	5,136.25	3,020.60	1.70	2.62	(35.14)	Reduction in Profitability (EBITDA)
Return on Equity Ratio	1,612.68	22,950.04	0.07	0.17	(59.51)	Reduction in Profitability (PAT)
Inventory Turnover Ratio	63,347.65	19,378.63	3.27	2.91	12.38	
Trade Receivables Turnover Ratio	1,00,530.40	8,356.40	12.03	9.10	32.15	Due to Higher Turnover
Trade Payables Turnover Ratio	66,528.68	15,213.55	4.37	4.10	6.57	
Net Capital Turnover Ratio	1,00,530.40	6,817.42	14.75	14.29	3.19	
Net Profit Ratio	1,612.68	1,00,530.40	0.02	0.04	(61.42)	Reduction in Profitability
Return on Capital Employed	3,589.76	28,772.15	0.12	0.26	(52.65)	Increase of Debt and Reduction in Profitability
Return on Investments	5.98	28.41	0.21	0.54	(61.31)	Reduction in Fair Value of Investment due to Market Condition

As at March 31, 2021

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance (%)	Reason for Variance
Current Ratio	31,180.94	25,095.57	1.24	1.17	6.54	
Debt Equity Ratio	2,938.53	22,399.48	0.13	0.89	(85.22)	Reduction of Debt and better Profitability
Debt Service Coverage Ratio	7,852.81	2,995.32	2.62	3.41	(23.11)	
Return on Equity Ratio	3,615.81	20,833.77	0.17	0.02	733.31	Drastical Increase in Profitability
Inventory Turnover Ratio	50,614.29	17,399.99	2.91	2.50	16.38	
Trade Receivables Turnover Ratio	86,963.81	9,552.50	9.10	5.81	56.77	Reduction in Debtors Days due to better collections
Trade Payables Turnover Ratio	51,390.54	12,523.98	4.10	4.49	(8.62)	
Net Capital Turnover Ratio	86,963.81	6,085.37	14.29	15.32	(6.71)	
Net Profit Ratio	3,615.81	86,963.81	0.04	0.01	609.20	Drastical increase in Profitability
Return on Capital Employed	6,297.64	23,898.01	0.26	0.08	237.65	Drastical increase in Profitability
Return on Investments	10.01	18.40	0.54	(0.21)	(358.27)	Drastical increase in Fair Value of Investment due to Market Condition

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 re-ported in the quarterly Return/ Statement	Amount of Differences	Reason for Material Discrepancies
Jun-21	13,240.32	14,766.87	1,526.55	Provisions, Regrouping, Final Entries are not part of Bank data, the details get shared with initial reports.
Sep-21	11,476.81	14,101.84	2,625.03	
Dec-21	16,752.93	19,054.52	2,301.59	
Mar-22	17,338.05	19,867.54	2,529.49	

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. Figures for the comparative period have been regrouped wherever necessary in conformity with current period classification.

23. 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 11th May 2022.

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: 11th May 2022

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

P.R. RAMESH
Independent Director
DIN:01915274

R. NAGARAJAN
Chief Financial Officer

PRIYA VARSHINEE V M
Company Secretary &
Compliance Officer

Concept & Design

HASTRA



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
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Chengalpet District- 603 103, Tamil Nadu, India,
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