



# BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

June 4, 2020

General Manager – DCS,  
Dept. of Corporate Services,  
BSE Ltd,  
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 Sirs,

**Sub: Disclosure of material impact of CoVID-19 pandemic on listed entities under SEBI (LODR) Regulations, 2015**

With reference to SEBI circular No. SEBI/HO/CFD/CMD-1/CIR/P/2020/84 dated 20.5.2020 regarding advisory on disclosure of the material impact of CoVID-19 pandemic on listed entities under SEBI (LODR) Regulations 2015.

In this connection, we would like to submit as follows.

**Impact with respect to Q4 - FY 2019-20:**

- Till 20th March 2020, the business operations were normal and in line with the company vision.
- Due to government directives, the country witnessed lockdown in parts since 20<sup>th</sup> March 2020 and the announcement of complete lockdown from 24th March 2020 and various restrictions imposed, all the operations including the field and the manufacturing came to standstill for the rest of month.
- In the month of March 2020 due to lockdown, the sales could not be effected, as a result, the company had a sales loss of more than 30% as compared to March FY'19 and it has adversely impacted the profitability for Q4 FY20.

**Impact with respect to Q1 - FY 2020-21:**

• **Domestic Appliances:**

Due to the continuation of lockdown in April 2020, no sales were to be reported. Eventually, as per Central and State govt. relaxation in the curfew, billing has started from the second week of May 2020. Further, we started the manufacturing activities



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**Corporate Office:** E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur - 600 130, Kancheepuram District.  
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after receiving the required permission from the Collector of Chengalpattu as per the central and state authorities' guidelines.

As the lockdown is being lifted in a phased manner, we are witnessing sales inching up gradually across all the channels including online and other categories. Improvements expected subjected to further ease of lockdown conditions. We foresee sales to be negatively impacted for Q1 FY'21.

- **Profitability:**

In the current scenario, clarity w.r.t financial performance of Q1 FY2020-21 is minimal due to rapid change in macro-economic factors. While we foresee an impact on profitability in Q1 FY'20 owing to the sales affected due to the pandemic, we expect the situation to be favourable from Q2 as due to Covid we have witnessed increasing importance being given to home cooking for health and safety reasons.

- **Manufacturing Operations:**

Consequent to the announcement of lockdown, all the employees including the field staff have been advised to work from home. In line with the various relaxations announced by both the Central and State Governments, the employees attached to the factories are attending to work in a staggered manner as per Government directives. All warehouses across the country have been functioning in a staggered manner from the first week of May 2020 to cater to the demand. Factory, R&D, and Corporate Office are also functioning with limited manpower with effect from the second week of May 2020, in line with the directives of the State Government and local authorities.

- **Liquidity Position and Payment Obligations:**

- The liquidity position of the Company is impacted in the short term, the company is reviewing with its bankers to raise temporary debt to address the issue.
- All vendor payments are being released, with a special focus on MSME vendors.
- Trade collections to categories where secondary / redistribution sales did not take place have been sluggish due to pending collections/inventories at the trade level.

- **Ability to service debt and other financial arrangements:**

The Company is having working capital limits with lead banks' support and does not anticipate any issue in servicing the interest commitments. Also, as per RBI guidelines we have availed the moratorium with some of the bankers.



- **Assets:**

None of the assets of the Company have been impacted or impaired.

- **Internal control:**

The Company has a robust SAP System in place across all the locations. Even during the lockdown, IT / reporting systems worked seamlessly without any disruption.

- **Supply Chain:**

As the restrictions are easing, we have substantial improvement both in the inward and outward supply chain operations and we do not foresee any major issue in this area.

- **Demands for products:**

Due to the national wide lockdown to curb the pandemic which lasted for more than a month the business has slowly gained momentum to an extent. Since few restrictions are still in place, we expect the demand to improve over a period for domestic and kitchen appliances.

1. **Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on Company's business:** None

- **Others:**

The Company is having its own manufacturing facilities in line with 'Make in India' policy. Therefore, our dependency on imported products is extremely negligible. Most of the raw materials of kitchen appliances products are indigenous.

If the lockdown gets lifted completely, the Company expects to gradually come back to its normalcy level of operations in the coming months. However, Q1 performance is likely to have its impact on the annual performance of the year 2020-2021.

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For **Butterfly Gandhimathi Appliances Limited**

*K.S. Ramakrishnan*  
**K.S. Ramakrishnan**

**Company Secretary & General Manager – Legal**

