



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

March 25, 2023

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

Dear Sirs/Madam

Re: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations") - Intimation of the outcome of the meeting of the Board of Directors of Butterfly Gandhimathi Appliances Limited ("Company" or "Transferor Company") held on March 25, 2023

In compliance with Regulation 30 read with Schedule III of the Listing Regulations, we wish to inform that the Board of Directors of the Company ("**the Board**") at its meeting held today *i.e.* *March 25, 2023* has considered and approved the Scheme of Amalgamation of the Company with Crompton Greaves Consumer Electricals Limited ("**Transferee Company**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder ("**Scheme**"). The Scheme *inter alia* provides for the amalgamation of the Company with the Transferee Company.

Pursuant to the proposed Scheme, equity shares of the Transferee Company shall be issued to the shareholders of the Company in accordance with the Joint Share Swap Ratio (*as defined in Annexure I hereto*), which would be listed on the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as "**Stock Exchanges**").

The Scheme is subject to the receipt of necessary statutory and regulatory approvals, including approval of Stock Exchanges, the Securities and Exchange Board of India, the respective shareholders and creditors of respective companies and National Company Law Tribunal(s) (Mumbai & Chennai Benches).

In terms of the Listing Regulations read with SEBI Circular No CIR/CFD/CMD/4/2015 dated September 9, 2015, we are furnishing herewith the details of the Scheme as **Annexure – I**.

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

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The above information is also being made available on the website of the Company at www.butterflyindia.com

Kindly take the above information on record and acknowledge.

Yours sincerely
For Butterfly Gandhimathi Appliances Limited

Sriram Rangarajan
Managing Director
DIN: 09550640

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Annexure I – Brief details of Amalgamation / Merger

a)	Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as size, turnover etc	<p><u>Butterfly Gandhimathi Appliances Limited - Standalone as on September 30, 2022</u></p> <p>Total assets – INR 665.93 Crore</p> <p>Net worth – INR 272.56 Crore</p> <p>Turnover – INR 621.32 Crore*</p> <p><u>Crompton Greaves Consumer Electricals Limited - Consolidated as on September 30, 2022</u></p> <p>Total assets – INR 5940.79 Crore</p> <p>Net worth – INR 2881.65 Crore</p> <p>Turnover – INR 3562.44 Crore*</p> <p><i>*For six months ended September 30, 2022</i></p>
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms’ length”	<p>Yes. The Company is a subsidiary of the Transferee Company and as such both the companies involved in the transaction are related parties to each other.</p> <p>However, in terms of General Circular No. 30/2014 dated July 17, 2014 issued by Ministry of Corporate Affairs, the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013, will not attract the requirements of Section 188 of the Act.</p> <p>The consideration for the amalgamation is being discharged on an "arm's length" basis.</p>
c)	Area of business of the entity(ies)	<p>1. Butterfly Gandhimathi Appliances Limited (“Transferor Company” or “the Company”) is a public company incorporated under the provisions of the Companies Act, 1956. The Transferor Company is, <i>inter alia</i>, engaged in the business of manufacturing and trading of a wide range of domestic kitchen and electrical appliances under the brand ‘BUTTERFLY’. The equity shares of the Transferor Company are listed on the Stock Exchanges. The Transferor Company is a subsidiary of the Transferee Company.</p> <p>2. Crompton Greaves Consumer Electricals Limited (“Transferee Company”) is a public company incorporated under the provisions</p>

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		<p>of the Companies Act, 2013. The Transferee Company is, <i>inter alia</i>, engaged in the business of manufacturing, trading, selling and distribution of fans, lighting, pumps and appliances. The equity shares of the Transferee Company are listed on the Stock Exchanges. The non-convertible debentures of the Transferee Company are listed on the debt segment of the National Stock Exchange of India Limited. The Transferee Company holds 75% of the total issued and paid-up share capital of the Transferor Company.</p>
d)	Rationale for amalgamation/merger	<p>The Transferor Company is a subsidiary of the Transferee Company. It is proposed to integrate their businesses to achieve following benefits:</p> <ul style="list-style-type: none">(a) Enhancement of operational, organizational and financial efficiencies, and achieve economies of scale by pooling of resources;(b) Achieve synergies in revenue, costs, faster Go-To-Market strategy and stronger base for future growth across all parts of India and to enable greater focus on product innovation;(c) An integrated and coordinated approach to business and focus on product innovation will allow for a more efficient allocation of capital and resources for growth opportunities;(d) Ability to cross-sell products through the respective distribution channels in the high growth appliances segment with premium offering across product categories;(e) Efficient materials management, warehouse rationalization and unified approach on customer engagement;(f) Unification and streamlining off legal and regulatory compliances currently required to be carried out by both, the Transferor Company and the Transferee Company;(g) Consolidation of administrative and managerial functions and elimination of multiple record-keeping, inter alia other expenditure and optimal utilization of resources;(h) Adaptation of best practices and in enhancing mechanization / automation of various processes through latest technologies;(i) Alignment of interest of all stakeholders of both the companies;(j) Streamlining of the corporate structure; and(k) Improved organizational capability and leadership, arising from the pooling of human capital that has diverse skills, talent and vast experience to compete in increasingly competitive industry.

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		The amalgamation is in the interest of both the companies, their respective shareholders, creditors and is not prejudicial to the interests of the concerned shareholders, creditors and other stakeholders.																														
e)	In case of cash consideration – amount or otherwise share exchange ratio	<p>There is no cash consideration involved in the Scheme.</p> <p>On Amalgamation of the Transferor Company with the Transferee Company</p> <p>The Transferee Company will issue its equity shares to the shareholders of the Company (other than the Transferee Company) as per the below share swap ratio:</p> <p>22 (Twenty Two) fully paid up equity shares of INR 2 (Indian Rupees Two) each, for every 5 (Five) fully paid-up equity shares of INR 10 (Indian Rupees ten) of the Transferor Company (“Share Swap Ratio”).</p> <p>The Share Swap Ratio is arrived on the basis of the Joint Share Swap Ratio Report dated March 24, 2023 issued by M/s. Ernst & Young Merchant Banking Services LLP (Registration No. IBBI/RV-E/05/2021/155) and M/s. PwC Business Consulting Services LLP (Registration No. IBBI/RV-E/02/2022/158), Registered Valuers (“Joint Share Swap Ratio Report”), describing the methodology adopted by them in arriving at the Share Swap Ratio.</p> <p>SBI Capital Markets Limited, an Independent SEBI registered (Category - I) Merchant Banker, has issued fairness opinion stating that the Share Swap Ratio determined under the Joint Share Swap Ratio Report is fair from a financial point of view.</p>																														
f)	Brief details of change in shareholding pattern (if any) of listed entity	<p>Post the Scheme becoming effective, the Company shall be dissolved without being wound up. Accordingly, change in shareholding pattern of the Company shall not be applicable.</p> <p>The pre and post the Scheme, shareholding pattern of the Transferee Company will be as follows:</p> <table border="1"> <thead> <tr> <th colspan="3">Pre- Scheme</th> <th colspan="3">Post Scheme</th> </tr> <tr> <th>As on March 23, 2023</th> <th>No of Shares</th> <th>% Holding</th> <th>Basis shareholding as on March 23, 2023</th> <th>No of Shares</th> <th>% Holding</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td>Nil</td> <td>-</td> <td>Promoters</td> <td>Nil</td> <td>-</td> </tr> <tr> <td>Non - Promoters</td> <td>63,59,86,199</td> <td>100.00</td> <td>Non- Promoters</td> <td>65,56,53,707</td> <td>100.00</td> </tr> <tr> <td>Total</td> <td>63,59,86,199</td> <td>100.00</td> <td>Total</td> <td>65,56,53,707</td> <td>100.00</td> </tr> </tbody> </table>	Pre- Scheme			Post Scheme			As on March 23, 2023	No of Shares	% Holding	Basis shareholding as on March 23, 2023	No of Shares	% Holding	Promoters	Nil	-	Promoters	Nil	-	Non - Promoters	63,59,86,199	100.00	Non- Promoters	65,56,53,707	100.00	Total	63,59,86,199	100.00	Total	65,56,53,707	100.00
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Yours sincerely,

For Butterfly Gandhimathi Appliances Limited

Sriram Rangarajan
Managing Director
DIN: 09550640

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