



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

August 7, 2019

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

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

Dear Sir,

ANNUAL REPORT 2019

Pursuant to the provisions of Regulation 34 (1) of the SEBI (LODR) Regulations, 2015 enclosed please find Company's Annual Report for financial year ended on 31.3.2019, which has been duly adopted at its Annual General Meeting held on 07.08.2019.

Please treat this as in compliance with the Listing Regulations.

Thanking you,

Yours faithfully,
For Butterfly Gandhimathi Appliances Limited

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

Encl: a/a.



Butterfly[®]

Good for a lifetime

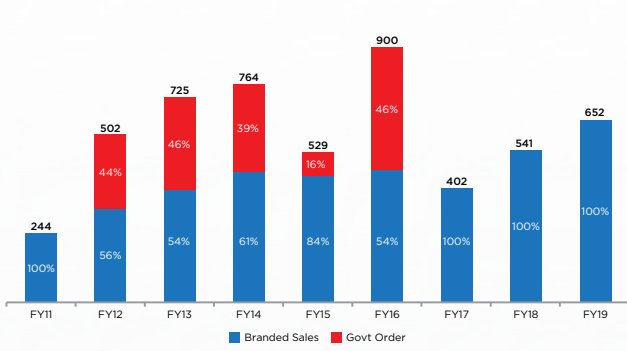
ANNUAL
REPORT
2019



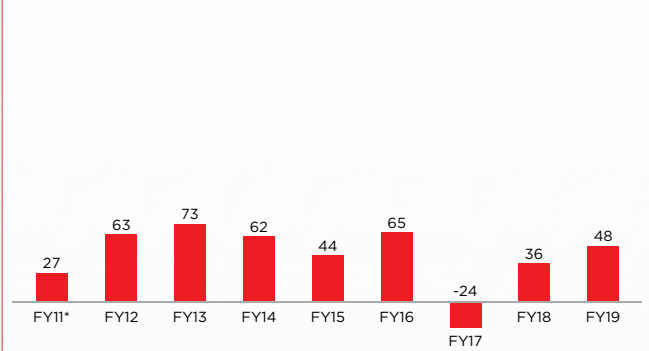
SCALING NEW HEIGHTS OF
GROWTH AND EXCELLENCE

Revenue Excluding Excise
Duty / GST

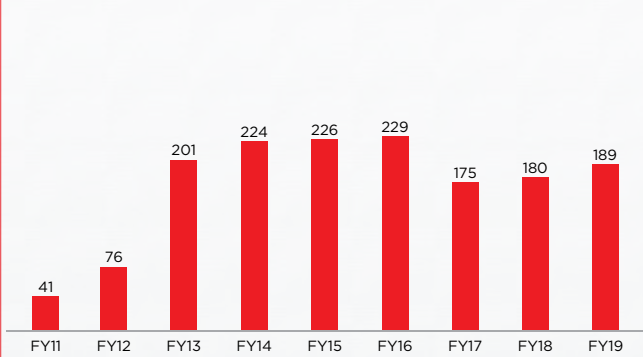
Annual Net Revenue (₹ crore)



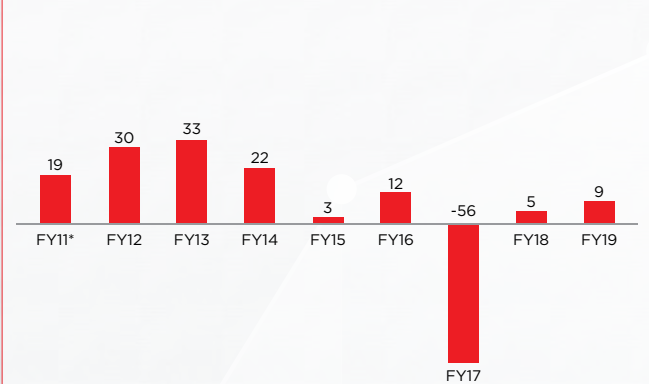
EBITDA (₹ crore)



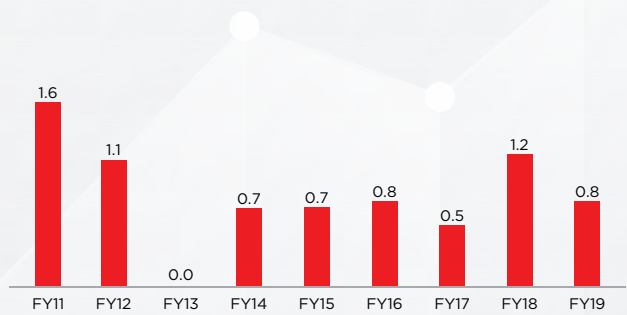
Net Worth (₹ crore)



Profit After Tax (₹ crore)



Net Debt - Equity Ratio



Earning Per Share (₹) - Annualized



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

ANNUAL REPORT 2019

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BOARD OF DIRECTORS

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
Mr. K. Ganesan.....	Independent Director
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.....	Woman Independent Director
Mr. Anand Mundra.....	Nominee Director - Equity Investor

Mr. K. S. Ramakrishnan.....	Company Secretary & General Manager - Legal
Mr. R. Nagarajan.....	Chief Financial Officer

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.

REGISTERED OFFICE

143, Pudupakkam Village,
Vandalur-Kelambakkam Road,
Kelambakkam - 603103
Kancheepuram District, Tamil Nadu
CIN: L28931TN1986PLC012728
Phone: 044-47415590/92-93
Email: butterflyho@butterflyindia.com

REGISTRAR & SHARE TRANSFER AGENT

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

CORPORATE OFFICE

E-34, Second Floor,
Rajiv Gandhi Salai, Egattur Village,
Navalur- 600130,
Kancheepuram District, Tamil Nadu
Phone : 044-49005154/180
Email: cs@butterflyindia.com
Website: www.butterflyindia.com

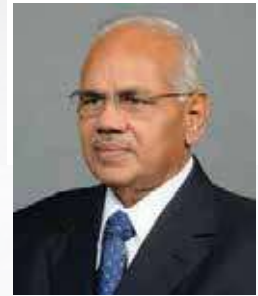
BANKERS

State Bank of India
IDBI Bank
Bank of Maharashtra
IndusInd Bank
South Indian Bank
IDFC First Bank
Axis Bank

Members are requested to bring their copy of the annual report along with them to the Annual General Meeting, since the same will not be distributed in the meeting.

As per the guidelines of Ministry of Company Affairs, no sweets or compliments will be distributed in any form to the members.

Chairman's Message



Mr. V.M. Lakshminarayanan
Chairman & Managing Director

Dear Shareholders,

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

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

In the optimistic environment, your Company has put up a good performance in financial year 2018-19. The net sales increased 20.61% from ₹ 540.56 crores in financial year 2017-18 to ₹ 651.98 crores. Despite Kerala

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

As we look ahead to greater opportunity and prosperity, I would express my sincere appreciation to employees at all levels for their contribution towards the performance of the Company. I would also like to extend my gratitude to our customers, stakeholders, bankers and suppliers for their loyalty and trust in us. I would like to express my sincere appreciation to all shareholders for their continued support.

Yours sincerely,
V.M. Lakshminarayanan
Chairman
Butterfly Gandhimathi Appliances Limited

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of the Company will be held at its Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu on Wednesday, 7th August, 2019 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2019 together with the Reports of the Board of Directors and Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March 2019 and the Report of the Board of Directors and the Auditors thereon, laid before the meeting be and is hereby approved and adopted.

2. To appoint Mr.V.M.Kumaresan (DIN 00835948), who retires by rotation, and, being eligible offers himself for reappointment as a Director of the Company and in this regard pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT Mr.V.M.Kumaresan (DIN 00835948), Director of the Company, who retires by rotation at this meeting pursuant to the provisions of Section 152(6)(c) of the Companies Act 2013 being eligible for reappointment be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS:

3. 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 Rules made thereunder, approval is hereby accorded for the remuneration of Rs.1,75,000/- plus taxes as applicable and reimbursement of travel and out of pocket expenses, to be paid to M/s.S.Mahadevan & Co., Cost Accountants (Regn.No.000007), Chennai approved by the Board as Cost Auditors for conducting the audit of cost records of the Company, for the financial year ending 31st March 2020, as approved by the Board of Directors of the Company be and is hereby ratified".

4. To pass the following resolution as a **Special Resolution**:

RESOLVED THAT in supercession of the Special Resolution passed at the Annual General Meeting of the Company held on 26th July 2013 and pursuant to the provisions of Section

180(1)(a) and other applicable provisions if any, of the Companies Act 2013 and rules made hereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which terms shall be deemed to include Executive Committee) for the purpose for mortgaging and/or charging all or any of the movable and/or immovable properties, present and future or the whole or substantially the whole of the undertaking(s) of the Company, for securing the loan obtained or other lines of credit availed/to be availed from time to time, from any financial Institution(s), bank(s), mutual fund(s) or other charges together with interest, cost, charges, expenses and any other money payable by the Company.

5. To pass the following resolution as an **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 181 of the Companies Act, 2013 and other applicable provisions, if any, the permission of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to contribute to bonafide Charitable and other funds, in any financial year, any amounts or in case of loss or inadequate profit for contributing and/or such aggregate of which shall not exceed 5% of its average net profit for the three immediately preceding financial years or Rupees fifty lakhs whichever is greater."

RESOLVED FURTHER THAT the shareholders of the Company be and is hereby approve and ratify the payment of Rs. 21.19 lakhs contributed to chief Minister Distress Relief Fund, Kerala for the purpose of flood relief in the financial year 2018-19"

Navalur – 600 130
Date : 24.05.2019

By Order of the Board
K.S.Ramakrishnan
Company Secretary &
General Manager - Legal

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from **31st July 2019 to 7th August 2019 (both days inclusive)** for annual closing.
2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies (Proxy Form attached herewith) to attend and vote on a poll**

NOTICE TO THE SHAREHOLDERS

instead of himself/herself. Such a proxy/proxies need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the share capital of the Company. The instrument of proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarial certified copy of that Power of authority in order to be effective shall be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours (forty eight hours) before the commencement of the Meeting. Proxies submitted on behalf of the companies/societies, etc., must be supported by an appropriate resolution/authority, as applicable.

4. The necessary documents in relation to the proposed resolutions shall be open for inspection at the Registered Office of the Company during business hours, from Monday to Friday and will also be available for inspection at the Annual General Meeting.
5. Members/Proxy holders are requested to affix their signatures at the space provided in the Attendance Slip and handover the slip at the entrance of the meeting hall.
6. Corporate Members/Societies are requested to send a duly certified copy of the Board of Directors/Governing Bodies resolution/Power of Attorney authorising their representative to attend and vote on their behalf at the Annual General Meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
8. The Members are informed that in the case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. In terms of the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012 ('IEPF Rules'), the Company has uploaded the information in respect of the unclaimed dividends for financial years from 2010-11, 2011-12, 2012-13 and 2015-16 as on the date of the thirty first Annual General Meeting held on 11th September, 2018 on the website of the IEPF viz., www.iepf.gov.in and under 'Investor Section' on the website of the Company viz., www.butterflyindia.com. Members who have not encashed their dividend warrants are advised to write to the Company/its Share Registrars immediately claiming the un-encashed

dividends declared by the Company. **As per SEBI circular SEBI/HO/ MIRSD/DOP1/CIR/P/2018/73 dated 20.04.2018, the dividend to be transferred through bank transfer. Members who hold shares in physical form are requested to update their bank details.**

The particulars of unpaid/unclaimed dividends to IEPF are furnished below:

Financial Year ended	Dividend Declared on	Unpaid/Unclaimed amount as on 31.3.2019 (in Rs.)
31.03.2012	31.08.2012	11,42,590.00
31.03.2013	26.07.2013	11,01,187.50
31.03.2016	05.08.2016	6,04,958.75

10. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Income Tax Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their Demat Account. Members holding shares in physical form can submit their PAN details to the Company/its Share Registrars.
12. Members are requested to update their preferred e-mail IDs with the Depository Participants/Company's Registrar and Transfer Agents, which will be used for the purpose of sending the official documents through e-mail in future.
13. Electronic copy of the Notice of the thirty second Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the thirty second Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.

NOTICE TO THE SHAREHOLDERS

14. Members may note that the Notice of the Thirty Second Annual General Meeting and the Annual Report 2019 will also be available on the Company's website www.butterflyindia.com for their download. The physical copies of the above documents will also be available at the Company's registered office for inspection during normal business hours on working days, excepting Saturdays. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may send request to the Company's investor email ID: cs@butterflyindia.com.

15. Voting through Electronic means:

- (i)** In compliance with provisions of Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the thirty second Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).
- (ii)** The Notice of the AGM of the Company inter-alia indicating the process and manner of e-voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or www.butterflyindia.com
- (iii)** The remote e-voting period commences on Saturday 3rd August 2019 (9.00 a.m.) and ends on Tuesday 6th August 2019 (5.00 p.m.). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th July 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (iv)** The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 30th July 2019. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., 30th July 2019 may obtain login ID and password by sending a request at evoting@nsdl.co.in or sta@gnsainfotech.com.
- (v)** The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting as per (i) above shall be able to exercise their right at the meeting through ballot paper.
- (vi)** The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (vii) The procedure to login to e-voting website is given below:**
 - 1.** Open email and open PDF file viz., "Butterfly Gandhimathi e-voting.pdf" with your client ID (in case you are holding shares in Demat mode) or folio number (in case you are holding shares in physical mode) as password which contains your "user ID" and "password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
 - 2.** Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - 3.** Click on "Shareholder – Login".
 - 4.** Put user ID and password as initial password noted in step (1) above and Click login. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com
 - 5.** Password Change Menu appears. Change the password with new password of your choice with minimum eight digits/characters or combination thereof.
 - 6.** Home page of remote 'e-voting' opens. Click on e-voting: Active Voting Cycles.
 - 7.** Select 'EVEN' of Butterfly Gandhimathi Appliances Limited. Members can cast their vote online from Saturday 3rd August 2019 (9.00 a.m) to Tuesday 6th August 2019 (5.00 p.m).

Note: e-voting shall not be allowed beyond said time.

 - 8.** Now you are ready for remote 'e-voting' as 'Cast Vote' page opens.
 - 9.** Cast your vote by selecting appropriate option and click on "SUBMIT" and also "CONFIRM" when prompted. Upon confirmation, the message "Vote Cast Successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

NOTICE TO THE SHAREHOLDERS

10. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board resolution/ authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through an email to evoting@akjainassociates.com with a copy marked to evoting@nsdl.co.in.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

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 as well as voting at the AGM through ballot paper.

Other Information:

- Login to 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 'Forgot Password' option available on the site to reset the same.
- Your login ID and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.:1800-222-990.

In case a member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Depository Participant(s)/Company's Registrars and Share Transfer Agents or requesting physical copy):

- (i) Initial password is provided as below/at the bottom of the attendance slip for the AGM
REVEN (Remote E-Voting Event Number)
USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl.No. (2) to Sl.No.(10) above, to cast vote.

- (iii) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and Password for casting your vote.
- (iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (v) The voting right of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, i.e., 30th July 2019.
- (vi) 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 as well as Voting at the AGM through ballot paper.
- (vii) Mr.Balu Sridhar (C.P.No.3550), Partner, M/s.A.K.Jain Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner for the purpose of e-voting.
- (viii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (ix) The Scrutinizer after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in employment of the Company and shall make, not later than three days, of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter-sign the same and declare the result of the voting forthwith.
- (x) The Results declared along with the scrutinizer's report shall be placed on the Company's website www.butterflyindia.com and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE / NSE, Mumbai.

11. Members/Proxies are requested to bring their copies of the Annual Report to the meeting.

NOTICE TO THE SHAREHOLDERS

- 12.** The Company's equity shares are listed with Bombay Stock Exchange and the National Stock Exchange of India Ltd.
- 13.** Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agents, M/s.GNSA Infotech Ltd. for consolidation into a single folio.
- 14.** For the convenience of members willing to attend the Annual General Meeting, the Company proposes to arrange pick up bus/van from Tambaram and Madhya Kailash (Adyar). The bus/van will be placed opposite to Hindu Mission Hospital, Tambaram and Madhya Kailash Temple, Adyar between 9.00 a.m to 9.45 a.m on Wednesday 7th August 2019. Members are requested to produce their attendance slip/proxy form for availing this facility. The road maps respectively from Tambaram and Madhya Kailash to the Company's Registered Office are given next to the Attendance Slip.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.3:

The Board of Directors of the Company, on recommendation of Audit Committee, approved the reappointment of M/s.S.Mahadevan & Co., Cost Accountants (Regn.No.000007), Chennai as Cost Auditors, to conduct the Audit of the cost records of the Company for the financial year ending 31st March 2020.

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 approved by the shareholders 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 approval of the remuneration amounting to Rs.1,75,000/- plus applicable taxes, travel and out of pocket expenses to the Cost Auditors for the financial year ending on 31.3.2020, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the Shareholders of the Company.

The Board recommends the Ordinary resolution at Item no.3 for approval by the members.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No.4:

At the 26th Annual General Meeting of the Company held on 26.07.2013, consent of the members was granted for mortgaging the properties of the Company as a security against the sanctioned facilities by the bank consortium members at specified amounts. In order to take care of the enhanced facilities now availed by the Company and also the change in the Bank consortium members, it is proposed for a general consent of the members for mortgaging the properties of the Company as a security against such enhanced facilities and future enhancements.

Section 180(1)(a) of the Companies Act 2013 states that the Board of Directors of a Public Company shall not, except with the consent of such public company, sell, lease or otherwise dispose of the whole, or substantially the whole of any such undertakings of the Company. Hence the proposed resolution.

The Board recommends the Special Resolution at Item no.4 for approval by the members.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No.5:

Pursuant to the provisions of Section 181 of the Companies Act, 2013, fresh permission of the members is sought by means of as Special Resolution to contribute to bonafide charitable and other funds, in any financial year, any amounts the aggregate of which shall not exceed 5% of average net profits for the three immediately preceding financial years or fifty lakhs, whichever is greater.

In the month of August 2018, severe floods affected the south Indian State of Kerala, due to unusual high rainfall during the monsoon season. It was the worst flood in Kerala in nearly a century. In this situation, the management immediately contributed to Rs. 21.19 lakhs towards Chief Minister Distress Relief fund taking into account Company's extensive business operations in the State and same has been ratified by the Board on 31.10.2018. As per the provisions of Section 181 of the Companies Act 2013, Shareholders permission is

NOTICE TO THE SHAREHOLDERS

required in general meeting for the purpose of compliance and therefore, the amount of Rs.30 lakhs contributed to Chief Minister Distress Relief Fund, Kerala to be ratified by the Shareholders of the Company and compliance.

None of the Directors or Key Managerial personnel of the Company or their relatives are concerned or interested, financial or otherwise, in this resolution.

The Board recommends the Special Resolution at Item no.5 for approval by the members.

Additional Information on directors recommended for appointment/ re-appointment as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015:

Name of the Director	V.M.KUMARESAN
Date of Birth	19.06.1963
Date of Appointment	01.06.2007
Expertise in specific Functional area	He possesses sound technical knowledge in deep drawing process, sheet metal forming, making tools and dies and has dedicated about 38 years in Research & Development and Innovation of new home appliances products.
Qualification	Matriculation
List of Outside Directorship held	LLM Appliances Pvt.Ltd. Butterfly Quality Centre Pvt.Ltd. V.M.Chettiar & Sons India LLP.
Chairman/Member of the Board of Directors of the Company	Member of the Board holding the position of Executive Director -Technical
Chairman/Member of the Committees of Directors of other Companies in which he is a Director a. Audit Committee b. Nomination & Remuneration Committee c. Stakeholders' Grievance Committee	Nil

Shareholding if any, in the Company	487804 (2.73%)
Relationship between Director, inter-se	Messrs.V.M.Lakshminarayanan, Chairman & Managing Director, V.M.Balasubramaniam, Vice Chairman & Managing Director, V.M.Seshadri, Managing Director and V.M.Gangadharam, Executive Director of the Company, being relative of Mr.V.M.Kumaresan, Executive Director - Technical, who are deemed to be interested in this Resolution.

Navalur – 600 130

By Order of the Board

Date : 24.05.2019

K.S.Ramakrishnan

Company Secretary & General Manager - Legal

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

Your Directors have pleasure in presenting this Thirty Second Annual Report together with the Audited Statement of Accounts for the financial year ended on 31st March 2019.

1. FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March 2019 is summarised below:

(Rs. in lakhs)

Particulars	Financial Year ended on 31.03.2019	Financial Year ended on 31.03.2018
Revenue from Operations (Gross)	65198.32	54931.07
Less: Excise Duty	-	875.45
Revenue from Operations (Net)	65198.32	54055.62
Other Income	204.93	160.52
Operating Expenditure	60629.58	50586.07
Operating Profit	4568.74	3469.55
Profit before Depreciation and Finance cost	4773.67	3630.07
Finance Cost	2245.12	1808.80
Depreciation	1289.27	1237.78
Profit before Tax	1239.28	583.49
Income Tax/Deferred Tax	282.02	102.19
Profit after Tax	957.26	481.30
Other Comprehensive Income/(Loss) net of Tax	(36.95)	23.62
Total Comprehensive Income for the year	920.31	504.92

2. DIVIDEND:

In view of the ongoing plans to expand capacity of the plant, the Board of Directors has felt it prudent to conserve the financial resources of the Company. Consequently, no dividend has been recommended by the Board for the financial year under review.

3. REVIEW OF OPERATIONS:

The Company registered a turnover of Rs.651.98 crores for the period ended 31st March 2019 against Rs.540.55 crores as compared to previous year ended on 31st March 2018. Sales achieved a growth of 20.6% for the FY 2018-19.

During the year, the Company made constructive progress in its initiatives to enhance the sales especially, modern trade, online sales, canteen stores and exports. In addition, the initiatives taken towards widespread advertising and marketing to augment sales and restructuring distribution

network have resulted in an increase in cost of the Company, while these expenses are being incurred upfront, the benefit will accrue in later year through accelerated growth on sales.

4. DIRECTORS

Mr.V.M.Kumaresan (DIN No.00835948), Director retires by rotation from the Board, pursuant to the provisions of section 152(6) (c) of the Companies Act, 2013 and, being eligible, offers himself for reappointment.

5. MANAGEMENT DISCUSSION AND ANALYSIS:

The Directors' comments on 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.

6. CREDIT RATING:

The Company is retaining the following CRISIL's credit ratings for its bank facilities.

Long Term Rating	CRISIL BBB/Positive
Short Term Rating	CRISIL A3+

7. DIRECTORS RESPONSIBILITY STATEMENT:

In pursuance of Section 134(5) of the Companies Act 2013 ("the Act"), the Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 at the end of the financial year 31st March 2019 and of the profit of the Company for that year;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis; and
- The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. CORPORATE GOVERNANCE:

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Compliance Report on Corporate Governance as per Schedule V of the Listing Regulations, along with a Certificate of Compliance from the Statutory Auditors forms part of this report.

9. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year 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.

The Board of Directors of your Company, on the recommendation of the Audit Committee adopted a policy on Related Party Transactions, to regulate the transactions between your Company and its Related parties in compliance with the provisions of the Companies Act 2013 and the SEBI (LODR) Regulations 2015, the policy as approved by the Board is uploaded on the Company's website www.butterflyindia.com.

Particulars of contract or arrangements with related parties referred to in Section 188 (1) in Form AOC-2 has been annexed as **Annexure – I**.

10. RISK MANAGEMENT:

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 in the Company's website www.butterflyindia.com.

11. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate and effective internal financial control system commensurate with its size and operations.

12. DECLARATION FROM INDEPENDENT DIRECTORS:

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 their independence laid down in Section 149 (6) of the Act and the SEBI (LODR) Regulations 2015.

13. APPOINTMENT OF DIRECTORS 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 (LODR) 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, which can be viewed at the Company's website www.butterflyindia.com.

14. KEY MANAGERIAL PERSONNEL (KMP):

The following managerial personnel are Key Managerial Personnel (KMP):

- 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
- Mr.K.S.Ramakrishnan, Company Secretary & General Manager–Legal
- Mr.R.Nagarajan, Chief Financial Officer

15. PROGRAMME FOR FAMILIARISATION OF INDEPENDENT DIRECTORS:

The details of programme for familiarization of independent directors of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

matters are put up on the website of the Company at its link www.butterflyindia.com.

16. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company has formulated and devised policies regarding qualifications, positive attributes and independence of a Director as also a policy relating to the remuneration for the Directors and Key Management Personnel. The Company's policy in this regard is exhibited in its website www.butterflyindia.com.

17. PERFORMANCE EVALUATION OF DIRECTORS:

The Independent Directors of the Company held a separate meeting on 06.04.2018 without the attendance of non-independent Directors and members of management. At the said meeting, they reviewed the performance of non-independent Directors and the Board as a whole, including the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. Similarly, at a meeting of the Board of Directors held on the same day, the Board evaluated the performance of each Independent Directors and the Committees represented by such Independent Directors in accordance with the parameters for such evaluation formulated by the Nomination and Remuneration Committee of the Company.

18. AUDITORS:

i. Statutory Auditors and their Report:

The Members at the 30th Annual General Meeting held on 7th August 2017 had appointed M/s.ASA & Associates LLP, Chennai as the Statutory Auditors of the Company to hold office for a term of five years i.e., from the conclusion of the said Annual General Meeting until the conclusion of 35th Annual General Meeting of the Company to be held in 2022, subject to ratification of their appointment by the shareholders, every year. The requirement for the annual ratification of Auditor's appointment at the Annual General Meeting has been omitted pursuant to the Company's amendment Act 2017 notified on 7th May 2018.

The Auditors' Report to the Shareholders on the financial statement for the year ended 31st March 2019 does not contain any qualification, reservations or adverse comments.

ii. Cost Auditor and Cost Audit Report:

The Board has reappointed M/s.S.Mahadevan & Co., Cost Auditors (FRN.000007), No.1, Lakshmi Nivas, K.V.Colony,

Third Street, West Mambalam, Chennai – 600 033 for conducting the audit of cost records of the Company for the financial year 2019-20. Their report for financial year 2017-18 was filed on the MCA Portal on 04.09.2018.

iii. Secretarial Auditor and Secretarial Audit Report:

The Board has appointed M/s.A.K.Jain & Associates, Company Secretaries, [CP No.3550] No.2 (New No.3), Raja Annamalai Road, First Floor, Purasawalkam, Chennai – 600084 to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act 2013 for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31.3.2019 is annexed to this report as **Annexure II**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

19. DISCLOSURES:

Audit Committee:

The Audit Committee comprises Independent Directors, viz., Messrs.K.Ganesan (Chairman), M.Padmanabhan and A.Balasubramanian (Members) all qualified as Chartered Accountants and also V.M.Lakshminarayanan, Chairman & Managing Director of the Company as a Member. All the recommendations made by the Audit Committee were accepted by the Board.

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. Protected disclosures can be made by a Whistle Blower through an email or dedicated telephone line or a letter addressed to the Chairman of the Audit Committee/ Executive Director of the Company. The Company's Whistle Blower Policy may be accessed on its website at the link www.butterflyindia.com.

Meetings of the Board:

The Board met nine 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 any unclaimed shares issued in physical form pursuant to Public Issue/Right Issue.

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

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) (A) of Companies (Accounts) Rules, 2014, are given in **Annexure – III** of the Directors' Report.

Extract of Annual Return:

As required pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules 2014, an extract of Annual Return in Form MGT-9 is given in **Annexure – IV** of the Directors' Report.

Statement pursuant to Rule 5 (1), (2) & (3) of Companies (Appointment and remuneration) Rules 2014:

Information as per Section 197 (12) of the Companies Act 2013 read with Rules 5 (1), (2) & (3) of Companies (Appointment and Remuneration) Rules 2014 is annexed as **Annexure V** of the Directors' Report.

Payment of remuneration made to managerial personnel is in conformity with Schedule V Part II Section II (A) to the Companies Act 2013.

Corporate Social Responsibility Committee:

Pursuant to the provisions of Section 135(1) of the Act, the Company has constituted a Corporate Social Responsibility Committee, consisting two 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.

During the year under review, the Company created a plan to ensure that its CSR initiatives are truly beneficial to the community in the long run. The company initiated CSR 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. That our Company was always contributing to CSR activities much before it was even mandated for several years now. However, since the Company did not reach the minimum threshold limits as stipulated in Section 135 (1) of the Act, the Company is not liable for CSR expenses for the year under review.

During the financial year ended 31st March 2019, the Committee met once on 11.02.2019.

The CSR committee confirmed that the implementation and monitoring of CSR Policy is in compliances with CSR objectives and Policy of the Company.

Details of CSR Activities are annexed as **Annexure VI** of the Directors' Report.

Details relating to fixed deposits covered under chapter V of the Act;

The Company is neither inviting or accepting deposits from public or shareholders and hence there is no deposits outstanding or remaining unpaid as at the end of 31st March 2019.

Details regarding Loans, Guarantees and Investment under Section 186 of the Companies Act:

During the year under review, your Company had not given any loan or provide guarantees or made investments under section 186 of the Companies Act 2013.

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

Obligation of your Company under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013:

Your Company firmly believe in providing safe, supportive and friendly workplace environment. A workplace where our values come to life through the supporting behaviours. Positive workplace environment and great employees experience are integral part of our culture. Your Company believes in providing and ensuring workplace free from discrimination and harassment based on gender.

Your Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment; your Company has created the framework for individuals to seek recourse and redressal to instances of sexual harassment.

In order to prevent sexual harassment of women at workplace a legislation, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 was notified on 9th December 2013. Under the said Act, every Company is required to set up an Internal compliance Committee and investigate complaints relating to sexual harassment at the workplace of any women employee. Further, adequate

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

awareness programme was also conducted for the employee of your Company.

S.No.	Particulars	Remarks
1	No. of complaints filed – FY 2018-19	NIL
2	No. of complaints disposed off – FY 2018-19	NIL
3	No. of complaints pending as on 31.3.2019	NIL

Transfer of Investor Education and Protection Fund [IEPF] - Unclaimed dividends for the year ended 31st March 2011:

Your Company has transferred a sum of Rs.5,44,499/- during the financial year 2018-19 to the Investor Education and Protection Fund established by the Central Government, in compliance with Sections 123 – 125 of the Companies Act 2013. The said amount represents the unclaimed dividends for the year ended 31st March 2011, which were lying unclaimed with your Company for a period of seven years from due date of payment.

Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fee for the year 2019-20 to both National Stock Exchange of India Limited and BSE Limited with whom the equity shares of the Company have been listed.

Others:

- There were no material changes, complaints and commitments, affecting the financial position of the Company which have occurred between financial year ended 31.03.2019 and the date of this report.
- No equity shares were issued with differential rights as to dividend voting or otherwise.

- The Company has not resorted to any buy back of the equity shares during the year under review.
- There was no fraud reported by the auditors of the Company under Section 143(12) of the Act to the Audit Committee.
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meeting and Annual General Meeting.
- No equity shares (including sweat equity shares) were issued to employee of your Company, under any Scheme.

20. 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 to achieve excellence in all areas of the business.

21. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank, in particular State Bank of India and other Consortium Banks, Fullerton India Credit Company Limited, Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd. and Hindustan Petroleum Corporation Ltd. for the co-operation extended by them. Our thanks are also due to employees at all levels, suppliers, distributors, dealers and customers for their strong support.

Your Directors also thank the shareholders for their continued confidence and trust placed by them with the Company.

Navalur – 600 130
Date - 24.05.2019

For and on behalf of the Board
V.M.LAKSHMINARAYANAN
Chairman & Managing Director

ANNEXURE – I
PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013
FORM NO.AOC-2

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transaction including the value, if any,	Date of approval by the Board / Members at General Meeting	Amount paid as advance, if any,
1	East West Combined Industries – The Proprietor is a relative of Mr.V.M.Seshadri, Managing Director	Purchase of goods Sale of goods	01.04.2018 to 31.03.2019	Aggregate value of Purchase of goods - not exceeding Rs.1000 lakhs Aggregate value of Sale of goods-not exceeding Rs.10 lakhs	06.04.2018	NIL
2	Mrinalini Industries Partners are relatives of Mr.V.M.Gangadharam Executive Director	Purchase of goods Sale of goods	01.04.2018 to 31.03.2019	Aggregate value of Purchase of goods - not exceeding Rs.100 lakhs Aggregate value of Sale of goods - not exceeding Rs.10 lakhs.	06.04.2018	NIL
3	Sivagurunathan Industries – Partners are relatives of Messrs. V.M.Lakshminarayanan, Chairman & Managing Director, V.M.Seshadri, Managing Director and V.M.Gangadharam, Executive Director	Purchase of goods Sale of goods	01.04.2018 to 31.03.2019	Aggregate value of Purchase of goods - not exceeding Rs.400 lakhs. Aggregate value of Sale of goods - not exceeding Rs.125 lakhs	06.04.2018	NIL
4	LLM Appliances Private Limited. - Directors viz., Messrs.V.M. Balasubramaniam, Vice Chairman & Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical, who are the Promoter-Directors of the Company.	Purchase of goods Sale of goods	01.04.2018 to 31.03.2019	Aggregate value of Purchase of goods-not exceeding Rs. 100 lakhs. Aggregate value of Sale of goods - not exceeding Rs.100 lakhs	06.04.2018	NIL
5	Bean and Leaf Beverages Private Limited – Directors are relatives of Messrs. V.M.Lakshminarayanan Chairman & Managing Director, V.M.Balasubramaniam, Vice Chairman & Managing Director and V.M. Gangadharam, Executive Director	Beverage vending services Sale of goods	01.04.2018 to 31.03.2019	Aggregate value not exceeding the charges of other vendors for similar service - Rs.20 lakhs. Aggregate value of Sale of goods - not exceeding Rs.5 lakhs	06.04.2018	NIL
6	Chrysalis Home Needs Private Limited, Directors are relatives of Messrs.V.M. Lakshminarayanan, Chairman & Managing Director and V.M. Seshadri, Managing Director	Sale of goods	01.04.2018 to 31.03.2019	Aggregate value of Sale of goods - not exceeding Rs.10 lakhs	06.04.2018	NIL

ANNEXURE – I

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transaction including the value, if any,	Date of approval by the Board / Members at General Meeting	Amount paid as advance, if any,
7	H&S Supply Chain Services Pvt. Ltd – Directors are relatives of Mr.V.M.Seshadri, Managing Director	Providing 3PL Logistic services. Sale of goods	01.04.2018 to 31.03.2019	Aggregate value for the services rendered - not exceeding Rs.2500 lakhs Aggregate value of Sale of goods - not exceeding Rs.10 lakhs	06.04.2018	NIL
8	Butterfly Industrial Designs Private Limited – Directors are relatives of Messrs. V.M.Balasubramaniam, Vice Chairman & Managing Director and V.M.Kumaresan, Executive Director – Technical.	Receipt of rental	01.04.2018 to 31.03.2019	At the prevailing rental charges in Rajiv Gandhi Salai – not exceeding Rs.1.02 lakhs	06.04.2018	NIL
9	Swaminathan Enterprises Private Limited -Directors are relatives of Messrs.V.M. Lakshminarayanan, Chairman & Managing Director and V.M. Seshadri, Managing Director	Purchase of goods Sale of goods	01.04.2018 to 31.03.2019	Aggregate value of Purchase of goods-not exceeding Rs. 500 lakhs. Aggregate value of sales not exceeding Rs.100 lakhs	06.04.2018	NIL
10	Mr.V.M.L.Karthikeyan, son of Mr.V.M. Lakshminarayanan, Chairman & Managing Director	Holding office or place of profit in the Company	From 01.06.2013 onwards	Working as Senior Vice President – Marketing. Salary and Perquisites not exceeding Rs.29,95,200/- p.a.	26.7.2013 (special resolution at AGM)	NIL
11	Mr.G.Viswanathan, son of Mr.V.M.Gangadharam Executive Director	Holding office or place of profit in the Company	From 01.06.2013 onwards	Working as Senior Vice President – Materials Management. Salary and Perquisites not exceeding Rs.29,08,800/- p.a.	26.7.2013 (special resolution at AGM)	NIL
12	Mr.V.M.L.Senthilnathan, son of Mr.V.M. Lakshminarayanan, Chairman & Managing Director	Holding office or place of profit in the Company	From 01.06.2013 onwards	Working as Senior Vice President – Technical. Salary and Perquisites not exceeding Rs.29,08,800/- p.a.	26.7.2013 (special resolution at AGM)	NIL
13	Mr.V.M.L.Ganesan, son of Mr.V.M. Lakshminarayanan, Chairman & Managing Director	Holding office or place of profit in the Company	From 01.06.2013 onwards	Working as Vice President – Finance. Salary and Perquisites not exceeding Rs.28,22,400/- p.a.	26.7.2013 (special resolution at AGM)	NIL
14	Mr.V.M.G.Mayuresan, son of Mr.V.M. Gangadharam, Executive Director	Holding office or place of profit in the Company	From 01.06.2013 onwards	Working as Vice President – Corporate Strategy. Salary and Perquisites not exceeding Rs.27,64,800/- p.a.	26.7.2013 (special resolution at AGM)	NIL

ANNEXURE – II
FORM NO.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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**

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 March 31, 2019, 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 March 31, 2019 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 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, 2009;
- (b) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (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, 1998.

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 review 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.
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

ANNEXURE – II

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines as 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 given to all Directors to schedule the Board Meetings, Agenda were sent at least seven days 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 during the year under review the Company had obtained approval of Members of the Company by way of Postal Ballot in respect of:

- a) Continuance of service of Mr.V.M.Lakshminarayanan, as Managing Director under Section 196(3) of the Companies Act, 2013; and
- b) Increase in remuneration of Mr. V. M. Lakshminarayanan, Chairman&ManagingDirector,Mr.V.M.Balasubramaniam, Vice Chairman & Managing Director, Mr. V. M. Seshadri, Managing Director, Mr. V. M. Gangadharam, Executive Director and Mr. V. M. Kumaresan, Executive Director – Technical.

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.

Place : Chennai
Date : 15.05.2019

Sd/-
For A.K JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
FCS No. 5869
C. P. No. 3550

ANNEXURE III
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

[Pursuant to Section 134 (3)(m) of the Companies Act 2013 read with Rule 8 of Companies (Accounts) Rules 2014]

[A] Conservation of Energy:

The Company has carried out the following activities during the financial year 2018-19, for energy conservation:

1. Installed Harmonic Filter in the electrical circuit thereby reducing energy losses.
2. Conventional electric brakes removed, and new pneumatic brakes introduced for power saving
3. Metal halite lamps, Fluorescent lamps replaced with LED lamps.
4. Introduce MCBs, ELCBs, MCCBs, RCCBs replacing conventional fuse links, thus reducing energy loss and enhancing safety.
5. Motor capacity reducing for smaller capacity forming process in hydraulic press machines.
6. Motion sensor placing for cabin lighting, in order to avoid lighting in absence of man power.
7. Providing VFD drives for Induction motors and saving energy
8. 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 reduction 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 Research and Development:

(Rs. in lakhs)

S.No.	Particulars	Amount
(a)	Capital	147.52
(b)	Recurring	9.53
(c)	Total	157.05

[C] Foreign Exchange earnings and outgo:

Foreign Exchange earnings : Rs.9194.91 lakhs

Foreign Exchange outgo : Rs.1668.46 lakhs

Place : Navalur – 600 130

Date : 24.05.2019

For and on behalf of the Board
V.M.LAKSHMINARAYANAN
Chairman & Managing Director

ANNEXURE IV

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019.

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i) CIN	:	L28931TN1986PLC012728
(ii) Registration Date	:	24.02.1986
(iii) Name of the Company	:	Butterfly Gandhimathi Appliances Limited
(iv) Category / Sub-Category of the Company	:	Public Limited Company
(v) Address of the Registered Office and Contact Details	:	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam - 603 103 Kancheepuram District, Tamil Nadu, Contact No. : 044-49005154
(vi) Whether Listed Company	:	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Gnsa Infotech Ltd #115, F-Block, Nelson Chambers, Nelson Manickam Road, Aminthakarai, Chennai - 600 029 Contact No. : 044-42962025

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% of more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	LPG Stove	27504	33.18
2	Mixer Grinder	27501	25.21
3	Table Top Wet Grinder	27501	11.72
4	Pressure Cooker	27504	12.93

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
	NONE				

ANNEXURE IV
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Shareholding:

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual / HUF	5092107	-	5092107	28.48	5061631	-	5061631	28.31	0.17
(b)	Central Govt. / State Govt(s).	-	-	-	-	-	-	-	-	-
(c)	State Govt(s).	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	6553665	-	6553665	36.65	6553665	-	6553665	36.65	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	11645772	-	11645772	65.13	11615296	-	11615296	64.96	0.17
(2)	Foreign									
(a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	11645772	-	11645772	65.13	11615296	-	11615296	64.96	0.17
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	770019	30	770049	4.31	940650	30	940680	5.26	-0.95
(b)	Banks / FI	-	2000	2000	0.01	-	2000	2000	0.01	-
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt(s).	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Portfolio Investor	81352	-	81352	0.46	28815	-	28815	0.16	0.30
(i)	Any other : Alternate Investment Fund	1382835	-	1382835	7.73	1444710	-	1444710	8.08	-0.35
	Sub-Total (B)(1)	2234206	2030	2236236	12.51	2414175	2030	2416205	13.51	-1.00
(2)	Non-Institutions									
(a)	Bodies Corporate									
(i)	Indian	334454	3254	337708	1.89	419778	2729	422507	2.36	-0.47
(ii)	Overseas	-	-	-	-	-	-	-	-	-

ANNEXURE IV

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Individuals									
(i)	Individual Shareholders holding Nominal Share Capital up to Rs.1 lakh	1595844	764719	2458648	13.75	2249067	692812	2941879	16.45	-2.70
(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 lakh	1120506	-	1120506	5.72	310044	-	310044	1.73	3.99
(c)	Others (specify)									
(i)	Non Resident Indians	125456	2303	127759	0.71	144376	2303	146679	0.82	-0.11
(ii)	Clearing Members	51007	-	51007	0.29	26941	-	26941	0.15	0.14
	Sub-Total (B)(2)	3227267	770276	3997543	22.36	3150206	697844	3848050	21.52	0.84
	Total Public Shareholding (B) = (B)(1) + (B)(2)	5461473	772306	6233779	34.87	5564381	699874	6264255	35.04	-0.17
(C)	Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)	17107245	772306	17879551	100.00	17179677	699874	17879551	100.00	-

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1	V. M. Seshadri	1251673	7.00	0	1251673	7.00	0	0.00
2	V. M. Lakshminarayanan	1000965	5.60	0	1000965	5.60	0	0.00
3	V. M. Balasubramaniam	570130	3.19	0	570130	3.19	0	0.00
4	V. M. Gangadharam	494083	2.76	0	494083	2.76	0	0.00
5	V. M. Kumaresan	487804	2.73	0	487804	2.73	0	0.00
6	V. M. K. Mangalam	218947	1.22	0	218947	1.22	0	0.00
7	V. M. B. Unnamalai	217750	1.22	0	217750	1.22	0	0.00
8	V. M. L. Shenbagalakshmi	217750	1.22	0	217750	1.22	0	0.00
9	V. M. G. Sivakami	217750	1.22	0	217750	1.22	0	0.00
10	V. M. S. Karpagam	217750	1.22	0	217750	1.22	0	0.00
11	V. M. L. Karthikeyan	76700	0.43	0	76700	0.43	0	0.00
12	Gandhimathi A	64500	0.36	64500	34024	0.19	0	0.17
13	V. M. S. Namasivayam	16495	0.09	0	16495	0.09	0	0.00
14	Gangadharam Viswanathan	16100	0.09	0	16100	0.09	0	0.00
15	V M L Senthilnathan	11055	0.06	0	11055	0.06	0	0.00
16	V M L Karthikeyan	6000	0.03	0	6000	0.03	0	0.00
17	V M G Mayuresan	3311	0.02	0	3311	0.02	0	0.00
18	V M S Kumaraguru	3344	0.02	0	3344	0.02	0	0.00
19	LLM Appliances Private Limited	3046565	17.04	0	3046565	17.04	0	0.00
20	V M Chettiar & Sons India LLP	3507100	19.62	0	3507100	19.62	0	0.00
	Total	11645772	65.13	64500	11615296	64.96	0	0.17

ANNEXURE IV
(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	11645772	65.13	11645772	65.13
1	Sold - 10/08/2018 (GANDHIMATHI A)	30476	0.17	11615296	64.96
	Total at the end of the year	11615296	64.96	11615296	64.96

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (1.4.18 to 31.3.19)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1	RELIANCE ALTERNATIVE INVESTMENTS FUND - PRIVATE EQUITY SCHEME - I	1001000	5.60				1001000	5.60
2	IDFC STERLING EQUITY FUND	300000	1.68	15-Jun-18	577	bought-Demat	300577	1.68
				22-Jun-18	9423	bought-Demat	310000	1.73
				29-Jun-18	5000	bought-Demat	315000	1.76
				06-Jul-18	15000	bought-Demat	330000	1.85
				13-Jul-18	8669	bought-Demat	338669	1.89
				20-Jul-18	5605	bought-Demat	344274	1.93
				27-Jul-18	20887	bought-Demat	365161	2.04
				03-Aug-18	100000	bought-Demat	465161	2.60
				17-Aug-18	4839	bought-Demat	470000	2.63
				21-Sep-18	1667	bought-Demat	471667	2.64
				28-Sep-18	8333	bought-Demat	480000	2.68
				26-Oct-18	10000	bought-Demat	490000	2.74
				02-Nov-18	9500	bought-Demat	499500	2.79
3	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND	340000	1.90	13-Jul-18	981	bought-Demat	340981	1.91
				20-Jul-18	2365	bought-Demat	343346	1.92
				27-Jul-18	1654	bought-Demat	345000	1.93
				24-Aug-18	1000	bought-Demat	346000	1.94
				21-Dec-18	4545	bought-Demat	350545	1.96
				28-Dec-18	1923	bought-Demat	352468	1.97
				31-Dec-18	10435	bought-Demat	362903	2.03
				04-Jan-19	19002	bought-Demat	381905	2.14
				01-Feb-19	13210	bought-Demat	395115	2.21

ANNEXURE IV

SI No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (1.4.18 to 31.3.19)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
				08-Feb-19	5588	bought-Demat	400703	2.24
				15-Feb-19	14412	bought-Demat	415115	2.32
4	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I	285835	1.60	06-Apr-18	38108	bought-Demat	323943	1.81
				15-Feb-19	11865	bought-Demat	335808	1.88
				22-Feb-19	2543	bought-Demat	338351	1.89
5	DOLLY KHANNA	253415	1.42	18-May-18	2000	sold-Demat	251415	1.41
				25-May-18	3530	sold-Demat	247885	1.39
				01-Jun-18	25500	sold-Demat	222385	1.24
				08-Jun-18	15500	sold-Demat	206885	1.16
				22-Jun-18	14000	sold-Demat	192885	1.08
				29-Jun-18	13990	sold-Demat	178895	1.00
				06-Jul-18	3440	sold-Demat	175455	0.98
				13-Jul-18	9060	sold-Demat	166395	0.93
				20-Jul-18	4000	sold-Demat	162395	0.91
				27-Jul-18	1000	sold-Demat	161395	0.90
				10-Aug-18	72	sold-Demat	161323	0.90
				24-Aug-18	1500	sold-Demat	159823	0.89
				31-Aug-18	1000	sold-Demat	158823	0.89
				21-Sep-18	2000	sold-Demat	156823	0.88
				05-Oct-18	5000	sold-Demat	151823	0.85
				19-Oct-18	309	bought-Demat	152132	0.85
				26-Oct-18	6183	bought-Demat	158315	0.89
				16-Nov-18	10000	bought-Demat	168315	0.94
				30-Nov-18	2000	bought-Demat	170315	0.95
				25-Jan-19	3500	sold-Demat	166815	0.93
				01-Feb-19	1000	sold-Demat	165815	0.93
				08-Feb-19	1000	sold-Demat	164815	0.92
				15-Feb-19	6500	sold-Demat	158315	0.89
				01-Mar-19	9000	bought-Demat	167315	0.94
				22-Mar-19	18000	bought-Demat	185315	1.04
6	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II	96000	0.54	06-Apr-18	9359	bought-Demat	105359	0.59

ANNEXURE IV

SI No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (1.4.18 to 31.3.19)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
7	ABHINANDAN LEASING & FINANCE PVT LTD	0	0.00	15-Mar-19	52000	bought-Demat	52000	0.29
8	NITIN TANDON	36990	0.21	25-Jan-19	3000	bought-Demat	39990	0.22
9	SHAKTIMAN STEEL CASTINGS PVT LTD	35000	0.20				35000	0.20
10	NITIN KAPIL TANDON	9510	0.05	12-Oct-18	6500	bought-Demat	16010	0.09
				14-Dec-18	8000	bought-Demat	24010	0.13
				25-Jan-19	4482	bought-Demat	28492	0.16
				01-Feb-19	5518	bought-Demat	34010	0.19

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

SI. No.	For each of the Directors and KMP	Shareholders at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	V. M. Seshadri	1251673	7.00	1251673	7.00
2	V. M. Lakshminarayanan	1000965	5.60	1000965	5.60
3	V. M. Balasubramaniam	570130	3.19	570130	3.19
4	V. M. Gangadharam	494083	2.76	494083	2.76
5	V. M. Kumaresan	487804	2.73	487804	2.73
6	Prakash Iyer CEO	0	0	0	0
7	K.S. Ramakrishnan CS	0	0	0	0
8	R. Nagarajan CFO	0	0	0	0

(vi) Details of Shareholders holding more than 5% shares in the Company:

SI. No.	Name of the shareholder	31 st March 2018		31 st March 2019	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	V. M. Lakshminarayanan	1000965	5.60	1000965	5.60
2	V. M. Seshadri	1251673	7.00	1251673	7.00
3	LLM Appliances Private Limited	3046565	17.04	3046565	17.04
4	V M Chettiar & Sons India LLP	3507100	19.62	3507100	19.62
5	Reliance Alternative Investments Fund – Private Equity Scheme - I	1001000	5.60	1001000	5.60

ANNEXURE IV

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year April 1, 2018				
i) Principal Amount	15,627.05	5,183.01	-	20,810.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	89.55	34.07	-	123.62
Total (i+ii+iii)	15,716.60	5,217.08	-	20,933.68
Change in Indebtedness during the financial year				
* Addition	941.65	-	-	941.65
* Reduction	2,809.96	3,553.01	-	6,362.97
Net Change	-1,868.31	-3,553.01	-	-5,421.32
Indebtedness at the end of the financial year March 31, 2019				
i) Principal Amount	13,758.74	1,630.00	-	15,388.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	40.86	15.05	-	55.91
Total (i+ii+iii)	13,799.60	1,645.05	-	15,444.65

VI. (A) REMUNERATION TO OTHER DIRECTORS:

S.No.	Name of Directors	Fee for attending Board/ Committee Meetings (Rs.)	Total Rs.
1	K.Ganesan (Independent Director)	5,10,000	5,10,000
2	M.Padmanabhan (Independent Director)	5,10,000	5,10,000
3	A.Balasubramanian (Independent Director)	3,45,000	3,45,000
4	K.J.Kumar (Independent Director)	Nil	Nil
5	G.S.Samuel (Independent Director)	1,65,000	1,65,000
6	T.R.Srinivasan (Independent Director)	1,35,000	1,35,000
7	Mrs.Maheshwari Mohan (Woman Independent Director)	1,05,000	1,05,000
	TOTAL	17,70,000	17,70,000

ANNEXURE IV
VI. (B) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
Remuneration to Managing Director, Wholetime Directors and/or Manager
(Rs. In lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		V.M.Lakshmi-narayanan CMD	V.M.Balasubramaniam MD	V.M.Seshadri MD	V.M.Gangadharam ED	V.M.Kumaresan ED-Tech	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45.00	44.25	43.50	42.00	42.00	216.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.00	8.85	8.70	8.40	8.40	43.35
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--	--	--
2	Stock Option	--	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--	--
4	Commission						
	- as % of profit	--	--	--	--	--	--
	- others, specify...	--	--	--	--	--	--
5	Others, please specify						
	Contribution to PF/Superannuation Funds	5.40	5.31	5.22	5.04	5.04	26.01
	Total (A)	59.40	58.41	57.42	55.44	55.44	286.11
	Ceiling as per the Act *	NA	NA	NA	NA	NA	NA

***NOTE:** The remuneration paid to MDs/Wholetime Directors named above are the minimum remuneration payable to them in the event of inadequacy of profits in any financial year during the currency of their tenure, as approved by the members through Special Resolutions, pursuant to the provisions of Schedule V Part II, Section 2(A) to the Companies Act 2013.

VI. (C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO*	Company Secretary	CFO	
(1)	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	69.84	23.07	16.23	109.14
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961.	12.11	4.76	9.07	25.94
	(c) Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961.	-	-	-	-
(2)	Stock Option	-	-	-	-
(3)	Sweat Equity	-	-	-	-
(4)	Commission	-	-	-	-
	As % of Profit	-	-	-	-
	Others, specify	-	-	-	-
(5)	Others, please specify	-	-	-	-
	Total	81.95	27.83	25.30	135.08

* Employed upto 31.08.2018.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no Penalties/Punishment/Compounding of offences against the Company, Directors and other officers in default for the year ended 31st March 2019.

ANNEXURE V

Disclosure pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

1. Ratio of the remuneration to each wholetime Director to the median remuneration of the employees of the Company for the financial year ended on 31.3.2019:

Name of Director	Ratio of remuneration to the median remuneration of the Company's employees
Mr.V.M.Lakshminarayanan	1:23
Mr.V.M.Balasubramaniam	1:23
Mr.V.M.Seshadri	1:22
Mr.V.M.Gangadharam	1:21
Mr.V.M.Kumaresan	1:21

2. Percentage increase in remuneration of each wholetime Director, in the financial year ended on 31.3.2019:

There was an increase in remuneration in the financial year ended on 31.3.2019 from 1st January 2019 and details are as follows:

Name of Director	% of increase
Mr.V.M.Lakshminarayanan	25
Mr.V.M.Balasubramaniam	25
Mr.V.M.Seshadri	25
Mr.V.M.Gangadharam	25
Mr.V.M.Kumaresan	25

3. Percentage increase in the median remuneration of employees in the financial year ended on 31.3.2019:

There was an increase of 20.07% in the median remuneration of employees in the financial year ended on 31.3.2019.

4. Number of permanent employees on the rolls of Company:

There were 1168 permanent employees on the rolls of Company as on 31.3.2019.

5. Average percentile increases 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:

Increase in remuneration – 8.26%

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.

Place : Navalur – 600 130
Date : 24.05.2019

For and on behalf of the Board of Directors
V.M.LAKSHMINARAYANAN
Chairman & Managing Director

Statement pursuant to Section 197(12) read with Chapter XIII Rule 5(2) of the Companies Act, 2013

S.No.	Name/(Age)	Designation of the Employees	Remuneration (Rs.)	Nature of Employment	Qualification (Experience)	Date of Commencement employment	Previous Employment	% of shares held by the employee	Relative of a Director / Manager or not
1	Prakash Iyer (50) *	Chief Executive Officer	81,94,563	Full Time	M.Com, Chartered Accountant and Cost & Works Accountant (26 years)	11.08.2016	Fair Winds Private Equity (previously known as Reliance Private Equity)	Nil	No

* Resigned the employment w.e.f. 31.08.2018

Statement pursuant to section 197 (12) read with Chapter XIII Rule 5(3) of the Companies Act, 2013

Particulars of top ten employees employed in terms of remuneration drawn

S. No.	Name/(Age)	Designation of the Employees	Remuneration (Rs.)	Nature of Employment	Qualification (Experience)	Date of Commencement employment	Previous Employment	% of shares held by the employee	Relative of a Director / Manager or not
1	V.M.Lakshminarayanan (71)	Chairman & Managing Director	59,40,000	Full Time	Matriculation	01.12.2011	Managing Director of Gangadharam Appliances Ltd	5.60	Brother of Messrs. V.M.Balasubramaniam V.M.Seshadri V.M.Gangadharam and V.M.Kumaresan
2	V.M.Balasubramaniam (69)	Vice Chairman & Managing Director	58,41,000	Full Time	Matriculation	01.08.2014	Managing Director of Gandhimathi Appliances Ltd.	3.19	Brother of Messrs. V.M.Lakshminarayanan V.M.Seshadri V.M.Gangadharam and V.M.Kumaresan
3	V.M.Seshadri (67)	Managing Director	57,42,000	Full Time	Matriculation	01.06.2011	Executive Director of Gangadharam Appliances Ltd	7.00	Brother of Messrs. V.M.Lakshminarayanan V.M.Balasubramaniam V.M.Gangadharam and V.M.Kumaresan
4	Rajamani Viswanathan (47)	Sr. Vice President Sales and Marketing	55,87,998	Full Time	B.Com. P.G.Diploma in Marketing and system management	26.03.2018	Sr. G.M Sales and Marketing in Videocon Industries Ltd	Nil	Nil

S. No.	Name/(Age)	Designation of the Employees	Remuneration (Rs.)	Nature of Employment	Qualification (Experience)	Date of Commencement employment	Previous Employment	% of shares held by the employee	Relative of a Director / Manager or not
5	V.M.Gangadharam (64)	Executive Director	55,44,000	Full Time	Matriculation	01.10.1994	Executive Vice President – Production of Gangadharam Appliances Ltd	2.76	Brother of Messrs. V.M.Lakshminarayanan V.M.Balasubramaniam V.M.Seshadri and V.M.Kumaresan
6	V.M.Kumaresan (56)	Executive Director -Technical	55,44,000	Full Time	Matriculation	01.06.2007	Director of Butterfly Electrical & Electronics Pvt. Ltd	2.73	Brother of Messrs. V.M.Lakshminarayanan V.M.Balasubramaniam V.M.Seshadri and V.M.Gangadharam
7	Santhosh Kumar K (40)	G M South - II Division	38,42,598	Full Time	M B A Marketing	18.03.2016	Regional Manager (Circle Head) Videocon Industries Limited	Nil	Nil
8	Vinay Kumar T.V. (44)	G M South – I Division	35,34,618	Full Time	M B A Marketing	01.09.2016	Regional Head Videocon Industries Limited	Nil	Nil
9	Karthikeyan V.M.L. (45)	Sr. Vice President - Marketing	29,95,200	Full Time	B.E.(Mech)	01.06.2007	Nil	0.46	Son of Mr.V.M.Lakshminarayanan
10	Viswanathan G (41)	Sr.Vice President – Materials Management	29,08,800	Full Time	B.E.(Mech), MEP at IIMA	01.10.2001	Nil	0.09	Son of Mr.V.M.Gangadharam

Place : Navalur – 600 130
Date : 24.05.2019

For and on behalf of the Board of Directors
V.M.LAKSHMINARAYANAN
Chairman & Managing Director

ANNEXURE VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs:

CSR PHILOSOPHY AND POLICY:

The Company was always contributing to CSR activities much before it was even mandated under the Companies Act 2013. The activities or projects that will be undertaken by the Company shall include one or more of the activities specified in CSR Policy as may be recommended by the CSR Committee and approved by the Board of Directors. The CSR Policy of the Company is available in our website under the following link:[http:// www.butterflyindia.com](http://www.butterflyindia.com).

2. The Composition of the CSR Committee:

Name	Position
Mr.T.R.Srinivasan	Chairman
Mr.V.M.Lakshminarayanan	Member
Mr.G.S.Samuel	Member

3. Average Net Profit of the Company for the last three financial years:

Average net profit for the last three preceding financial years – Loss of Rs.1041.54 lakhs

4. Prescribed CSR expenditure 2% of the amount as item 3 above:

a) Total amount spent during the year

Since the Company did not reach the minimum threshold limits stipulated in section 135(1) of the Act, the Company is not liable for CSR expenses for the financial year 2018-19.

b) Amount unspent: Rs.10.20 lakhs

c) Manner in which amount spent during the financial year is detailed below.

S.No.	CSR Activity Identified	Sector covered	Place of activity	Amount outlay (Rs.)	Amount spent (Rs.)	Direct or Agency
1	Thaiyur School Teachers salary	Education	Thaiyur	348000	348000	Direct
2	School Teacher Salary	Education	Pudupakkam	306000	306000	Direct
3	Median Garden water	Environmental	Pudupakkam	134800	134800	Direct
4	Natural Calamities	Gaja Cyclone Relief Fund	Pudupakkam	15000	15000	Direct
5	Education	Children Tour	Pudupakkam	14000	14000	Direct

5. Details of CSR spent during the financial year:

Company has spent Rs.8.18 lakhs towards education, environmental protection and Natural calamity.

6. In case the Company has failed to spend the 2% of the average net profit of the last three financial year or any part thereof, the Company shall provide the reasons for not spending the amount:

The Company has not reached the threshold limits stipulated in Section 135(1) of the Act till 2015 and the amount has been allocated only in 2016. As it is an on-going process, the unspent CSR fund to be spread over in a phased manner in the coming years. The balance on the amount allocated for CSR on 2016, the Company has initiated CSR projects in the areas of education, drinking water facility and tree slapping in and around Pudupakkam where the factory is situated.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company:

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place : Navalur
Date : 24.05.2019

for and on behalf of the Board of Directors
T.R.Srinivasan **V.M.Lakshminarayanan**
 Chairman-CSR Committee Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC OVERVIEW

1.1. Global Outlook:

Global economy witnessed moderate activity during 2018-19 and the various risks associated with international trade through tariff restrictions, federal reserve moves on interest rates, besides oil related risks significantly clouded global economic prospects. Global financial conditions have tightened and industrial production has moderated. Global economic growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019 before returning to 3.6 percent in 2020. China's growth declined following a combination of needed regulatory tightening and an increase in trade tensions with United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened. Faced with these headwinds, the recovery in emerging market and developing economies has lost momentum. (Source – IMF – world economic outlook 2019)

1.2. India and its growth performance:

The Indian economy witnessed another challenging year 2018-19, yet with a healthy growth of 8.2 percent in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility, largely from financial volatility normalised monetary policy in advanced economies, externalities from trade disputes and investment rerouting. The Indian rupee, though weakened during the year because of adverse crude prices managed to stabilize in the latter part of the Financial year. India would remain the fastest growing economy among the emerging economies. The failure of some large Non- Banking Financial Institutions created tight liquidity conditions in the Financial markets. However, the measures taken by Reserve Bank of India as also the Government averted the liquidity crisis in the money market. The Government is determined to focus on Development through a healthy economic growth.

During the year 2018, India made some important strides. It climbed another 23 points in the world bank ease of doing business index to 77th position for the first time.

In the light of the Government's commitment to reforms in 2018-19 through various policy and fiscal measures, our economy is expected to do well in the coming years.

2. Outlook - Growth in Kitchen Appliances Sector and Company's prospective:

India is one of the most vibrant kitchen appliances market today. In Financial year 2018-19, the overall economic

scenario towards the growth line is challenging and has been showing sign of good growth as compared to the previous financial year. The consumer appliances especially kitchen appliances market grow at a faster rate than other appliances. The growth in the industry will be due to full fledged tax reform implementation, middle class young population, healthy savings and increasing integration into the global economy.

Your Company mainly operates in the domestic kitchen appliances segment with a wide range of products such as LPG Stoves, Mixer Grinders, Table Top Wet Grinders, Pressure Cookers, Cookware and Domestic electrical appliances. The products above referred market is shared among national and regional/organised and unorganised players.

Consequent to tax reforms and customer preference to reliable brand the share of the unorganised players has come down.

Under Prime Minister Ujjwala Yojana Scheme (PMUY Scheme), the Government of India continued the support to safeguard the health of woman and children by providing the clean cooking fuel and pollution free atmosphere. The scheme continued this financial year 2018-19 with expansion of additional allocation of fund by Government. Your Company also participated in this scheme. Further institutional sales also continued with oil companies such as Indian Oil, BPCL, HPCL, etc., in developing gas stoves which are more fuel efficient. The Company launched 36 SKU's during the financial year 2018-19.

Your Company launched new innovative products in non-sticky cookware items, electrical chimney and power hobs, hand blender and hand mixers, choppers and blender. Your Company re-launched Stainless Steel Vacuum Flasks as well as water bottles with new and improved version. This year also the turnaround plan was successfully implemented, and the company earned profit in the year 2018-19. For the FY 2019-20, the Company is targeting to achieve top line growth with reasonable margins.

3. SWOT ANALYSIS

3.1. Strengths

The Company is having an in-house 'state-of-the-art' manufacturing facility equipped with latest technology and separate die making tools that allow it to increase the efficiency of the manufacturing procedure and enable a high degree quality control. The brand 'Butterfly' is its strength along with benchmark for quality in the kitchen appliances segment and the trust it enjoys amongst its customer base. Overall quality, safety and reliability of the products and the

MANAGEMENT DISCUSSION AND ANALYSIS

continuing customer satisfaction over the last three decades have enabled “Butterfly” brand of kitchen appliances to become a household name.

A healthy blend of experience and professionalism in the leadership team has ensured functional expertise as also adoption of best business practices in corporate governance. The Company has built extensive Pan India distribution network reaching to about 25000 retail points across India. The Company has over 550 exclusive distributors across Indian map and developed the entire range of Company’s products under one roof. The Company has tie-up with modern trade, on-line, retail and e-commerce formats, for supply with Canteen Stores Department (CSD), Central Police Canteen Stores (CPC) and Tamil Nadu Police Canteen Stores (TNPC). The Company continues addressing the post sales and services requirements of the consumers. Through Customer Relationship Management (CRM), it provides single window redressal of consumer complaints.

All these steps continued with the combined experience of the promoters and professionals laid a strong foundation for sustained growth into the future.

3.2. Weakness

The Company enjoys a high market share in the South India region for the financial year 2018-19 with major revenues coming from these markets. The Company continues its efforts in improving its presence outside South India by promoting its brand strengths and investing in building a strong performance-oriented execution team. The industry faces seasonal demand and ensuring timely and effective festival sales translated to high operation costs. It thus remains challenging to correctly estimate and prepare for demand at a specific time of the year. As mentioned earlier, the Company has developed a strategy and is now implementing measures to leverage its retail reach strengths in building a strong presence in the digital world (e-commerce/on-line), exports, modern trade amongst others.

At the same time compared to traditional sales the margin will be lower and we must establish our own channel relationship. The management is constantly monitoring the mix of these two channels, i.e., traditional sales and modern trade, and is taking appropriate balancing measures as the situation demands.

3.3. Opportunities

The kitchen appliances industry has traditionally been skewed towards unorganised players while a handful of

organised players have dominated major regions and key urban markets. Urban markets account for a major share of total revenues in the consumer durables sector in India whereas rural markets have only now begun to contribute recently.

Urban markets account for over 65% of the total revenues in the Consumer Durables sector in India. Urban customers are now considering appliances as lifestyle products and are open to pay increased prices for products that are ergonomically designed and offer multiple features. Positive trends in demographics have further helped to enhance growth. Factors such as the increasing number of nuclear families have led to a rise in the volumes of appliances sold.

The Company has made significant efforts in investing in markets of South India as well as in strengthening the profit centres in North India. While it has spent significantly in this market expansion, the positive benefits of these efforts will be felt in future with Butterfly as a brand reaching its consumers, all India and thus building a strong base for sustainable growth in future.

The advent of 0% finance schemes, credit cards and cash back schemes has changed the perception of consumers and the products that were once considered high-end and expensive are now considered to be accessible due to affordable monthly instalment payments.

Business opportunities like online sales and Customer Relationship Management [CRM] will lead the good performance as well as consumer satisfaction.

3.4. Threats

The industry is highly fragmented in the hands of several organized and unorganized players. Due to the attractiveness of the opportunity and large potential, competition across the Kitchen appliances industry in India is rising significantly. International companies that foray into the kitchen appliances space through mergers, acquisitions and joint ventures, have further intensified the competition in this space.

Several competitors who are attracted to the growth and returns offered by this industry have emerged. These companies have short term agendas and are sourcing lower value/substandard quality products from China and participating in the Indian markets through unsustainable practices. This can cause temporary distortions in prices and demand, especially to long-term players who are focused on quality.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Company Overview

Your Company is a leading manufacturer of Domestic Kitchen and Electrical Appliances in India established in 1986. The Company is ranked amongst the top five manufacturers in the domestic kitchen appliances sector.

Headquartered in Tamil Nadu, the Company is a multi-product Company with state-of-the-art-manufacturing units, strong R&D and international industrial design facilities, mainly manufacturing LPG Stoves, Mixer Grinders, Table Top Wet Grinders and Pressure Cookers amongst others. Contribution from the new product categories added to its portfolio through business acquisition will enhance its revenue/profits from operation.

BGMAL has a solid foothold in the Southern market and an extensive distribution network all over India. BGMAL also actively exports its products to the United Kingdom, United States of America, Mauritius, Sri Lanka, Japan and United Arab Emirates.

Inspite of competition from all around 'Butterfly' enjoys high brand quality and trust with Retail, institution and its customer with every passing generation.

5. Sales Performance

Total net sales stood at Rs.651.98 crores (excluding GST/excise duty) for financial year 2018-2019 as compared to Rs.540.56 crores (excluding GST/excise duty) in the financial year 2017-2018.

Net Sales (including Excise Duty) is as under:

(Rs. in crores)

Product	FY 2018-19	FY 2017-18
Kitchen Appliances	514.30	434.44
Cooker/Cookware	104.43	84.67
Others	33.25	30.20
Total	651.98	549.31
Less: Excise Duty	-	8.75
GRAND TOTAL	651.98	540.56

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

Sl. No.	Particulars	Mar-19	Mar-18	Change %
a.	Debtors Turnover	5.27	4.95	6.46%
b.	Inventory Turnover	4.59	4.39	4.56%
c.	Interest Cover	2.13	2.01	5.97%
d.	Current Ratio	1.24	1.23	0.81%
e.	Debt Equity Ratio	0.81	1.16	-30.17%
f.	Operating Profit Margin (%)	7.01	6.42	9.19%
g.	Net Profit Margin (%)	1.47	0.89	65.17%

Note:

1. The Company repaid its long-term loan and debt got reduced during the year, therefore the variance above 25%.
2. The Company earned net profit based on higher Top line sales, the % of change increased above 25%.

6. Outlook

The Company achieved this turnover through branded sales and its overall growth is commendable. The company will strive hard to come out of the uncertainties prevailing in the market through its strategic planning and tireless effort.

We believe the Company has a great deal of opportunities for future growth. There is enormous untapped potential across our established brand equity, target geographies and diversified product portfolio and we continue to take several steps towards capitalizing on these growth drivers. The Company has huge potential to increase the Revenues in new channels like e-Commerce sales, Modern Trade /Retail, CSD, CPC, TNPC canteen stores and exports. At the same time, it continues its general trade through its dealers and distributors.

Our vision is being directed towards the innovation of products, further complimented by improved packaging. We believe continual improvement in our business ways will help further increase efficiency and agility of brand 'Butterfly'. The demonetization and the payment in digital mode along with implementation of GST are expected to drive the formal economy and it will render more organised market.

The Company also continues to converge on improving business capabilities and enhancing growth levers. Improved R&D capabilities, enhanced retail format expansion, design abilities and better inventory management amongst others will help reinforce our competitive advantages, while simultaneously adding substantial value to brand 'Butterfly'.

MANAGEMENT DISCUSSION AND ANALYSIS

Our growth is driven by the many initiatives undertaken by the Company in the past few years such as meeting with customer expectation, strengthening product offering, deriving value from premiumisation of products, focus on marketing and service segment with the help of good Customer Relationship Management and brand awareness activities and entry into underpenetrated markets. In addition to internal drivers, macro-factors such as changing consumer shopping behaviours along with spending power of the consumer are also undergoing a profound transformation, which we believe, will help the Company accomplish its long-term secular growth objectives.

7. Risk Management

Risk management is an integral function of the overall management and is embedded across all of the business processes undertaken by the Company. Your Company believes it is essential to identify and manage risks to reduce uncertainties and ensure continuity of operations. To manage risks, the Company's Risk Management team continuously assesses and monitors business practices, ensuring the smooth flow of operations and adhering to stringent guidelines. The Company has a risk management framework in place, with processes to strategize, monitor, identify, assess and mitigate risks that could impact sustainability of business operations.

All fixed assets are covered by the insurance policy and the renewals are made in time.

BGMAL implements comprehensive risk management practices across its operations. We are committed to providing the highest degree of safety to our employees, especially at factories. Regular machinery inspections are important to ensure that the functionality of the machinery is up to date and does not impose any potential hazards that could cause accidents at the workplace. Periodic maintenance checks to equipment are conducted to assure that they meet acceptable safety requirements.

The Company also actively manages risks arising from credit, raw material price fluctuation and foreign exchange volatility, besides the financial risks which include liquidity management and close monitoring of interest costs.

8. Internal Control Systems

The Company and the Management have adequate internal control systems in place to safeguard and shield the Company from losses and in ensuring proper use of its assets. This also ensures that the Company's assets and

interests are carefully protected, and all the transactions are appropriately authorized, recorded and presented to the management. The Company always adheres to prescribed guidelines and follows all Accounting Standards prescribed for maintenance of books of accounts 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 of 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 are 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.

9. Capital Expenditure

During FY 17-18, Rs.10.44 crores capital expenditure was incurred towards enhancing our manufacturing capacity. For FY 18-19, a capital expenditure of Rs.9.50 crores were incurred for modernisation of infrastructure facilities, machinery/equipment and tools/dies.

10. Balance Sheet

There was no fresh issuance of equity capital during the year. Short-term borrowings reduced mainly due to better management of working capital. The debt equity ratio was continuing to be at healthy level.

11. Accounting Treatment

In the preparation of financial statements, the Company has not followed a treatment different from that prescribed in Accounting Standards. The Company have adopted the Indian Accounting Standard with effect from April 2017.

12. Human Resources

The Company strives to maintain a cordial relationship and healthy atmosphere with its employees at all levels. Human resources are considered the most important and valuable asset of the Company. Continuous commitment to upgrading skills is an integral part of the human resource development policy of the Company. The focus has always been towards creating a rewarding and nurturing environment for employees. The Company is an equal opportunity employer and promotes diversity in its workforce. Equal opportunities are given to optimize their potential and improve their standard of living.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company lays great emphasis on retention of its human talents. The Company invests in human resources intangibles from time to time by providing on the job training, in-house and external training programs and workshops related to technical/functional, behavioural/general and health and safety ISO certification standards, etc., which motivates employee productivity and skills. Competitive remuneration is awarded to employees on a timely basis and the Company ably maintains amicable industrial relations at all plants. As at March 31, 2019, the total workforce of the Company, stood at 1168 employees.

13. 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.

REPORT ON CORPORATE GOVERNANCE

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

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.

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

(a) Composition and Category Of Directors:

The Board comprises of thirteen Directors as on 31.3.2019, of whom seven are Non-Executive Independent Directors:

Name of the Directors & Category of Directorship	No. of Board meetings attended	Attendance at the last AGM (11.09.2018) Yes/No	Category of Directorship & Name of Listed entities where person is a Director
Mr.V.M.Lakshminarayanan Chairman and Managing Director (Promoter – Executive)	9	Yes	Nil
Mr.V.M.Balasubramaniam Vice Chairman and Managing Director (Promoter – Executive)	7	Yes	Nil
Mr.V.M.Seshadri Managing Director (Promoter – Executive)	7	Yes	Nil
Mr.V.M.Gangadharam Executive Director (Promoter – Executive)	7	Yes	Nil
Mr.V.M.Kumaresan Executive Director-Technical (Promoter – Executive)	7	Yes	Nil

REPORT ON CORPORATE GOVERNANCE

Name of the Directors & Category of Directorship	No. of Board meetings attended	Attendance at the last AGM (11.09.2018) Yes/No	Category of Directorship & Name of Listed entities where person is a Director
Mr.Anand Mundra Nominee Director Nominee of Equity Investor	5	Yes	Demla Valves Ltd (Nominee Director)
Mr.K.Ganesan Independent Director Non-Executive Director	9	Yes	Nil
Mr.M.Padmanabhan Independent Director Non-Executive Director	9	Yes	Quintegra Solutions Ltd (Non-Executive Director)
Mr.A.Balasubramanian Independent Director Non-Executive Director	9	Yes	Nelcast Limited (Independent Director)
Mr.K.J.Kumar* Independent Director Non-Executive Director	Nil	No	--
Mr.G.S.Samuel Independent Director Non-Executive Director	9	Yes	Swelect Energy Systems Limited (Independent Director)
Mr.T.R.Srinivasan Independent Director Non-Executive Director	7	Yes	Nil
Mrs.Maheshwari Mohan Independent Woman Director Non-Executive Director	7	Yes	Nil

* Resigned w.e.f. 06.06.2018

(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 are given below:

Name of Director	No. of outside Directorship held			
	Public		Private	
	Director	Chairman/ Member of Committee(s)	Director	Chairman/ Member of Committee(s)
Mr.V.M.Lakshminarayanan	-	-	-	-
Mr.V.M.Balasubramaniam	-	-	1	1
Mr.V.M.Seshadri	-	-	-	-
Mr.V.M.Gangadharam	-	-	2	1
Mr.V.M.Kumaresan	-	-	2	1
Mr. K.Ganesan	-	-	-	-
Mr.M.Padmanabhan	1	3	-	-
Mr.A.Balasubramanian	1	2	-	-
Mr.G.S.Samuel	1	3	1	-
Mr.T.R.Srinivasan	-	-	-	-
Mrs.Maheshwari Mohan	-	-	-	-
Mr.Anand Mundra	1	-	-	-

REPORT ON CORPORATE GOVERNANCE

(c) Number of Board Meetings held During the Year and Dates on which Held

During the financial year ended 31st March 2019, the Board met nine times on 06.04.2018 (12.30 p.m), 06.04.2018 (3.00 p.m), 28.05.2018, 07.07.2018, 07.08.2018, 11.09.2018, 31.10.2018, 22.12.2018 and 11.02.2019.

(d) Disclosure of Relationship Between Directors Inter-se:

Messrs.V.M.Balasubramaniam, V.M.Seshadri, V.M. Gangadharam and V.M.Kumaresan, whose names are mentioned in the category of 'Promoter-Executive', are brothers of Mr.V.M. Lakshminarayanan who is also 'Promoter Executive'.

(e) Number of Shares and Convertible Instruments Held By Non-Executive Directors

None of the Non-Executive Directors hold any shares/convertible instruments in the Company.

(f) Web Link where Details of Familiarisation Programmes Imparted to Independent Directors are Disclosed

Details of familiarization programs imparted to independent directors are disclosed at the Company's website: www.butterflyindia.com.

(g) Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Experience and strong Knowledge on Company's business (Home and kitchen appliances industry), policies and major risks / threats and potential opportunities and practical and technical knowledge of the industry in which the Company operates.
- ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii) Business Strategy, corporate strategy, governance practices etc.
- iv) Practical knowledge and experience in corporate finance, accounting, reporting and internal controls including strong ability to assess financial impact of decision making and Management skills
- v) Innovative and new technology implementation
- vi) Technical / Professional skills and specialized knowledge in relation to Company's business

3. 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 Schedule II Part-C to the SEBI (LODR) Regulations, 2015, the brief terms of reference to the Audit Committee of the Company, inter-alia include:

- 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;
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing with the management the annual financial statements and Auditors' Report thereon before submission to the Board for approval with particular reference to:
 - a) matters required to be included in the Directors' Responsibility Statement.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other requirements relating to financial statements.
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report.
- Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

REPORT ON CORPORATE GOVERNANCE

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 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;
- 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;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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 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 (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(ii) Composition, name of Members and Chairperson:

The Composition of the Committee is in line with the provisions of Section 177 of Companies Act 2013 and

Regulation 18(3) of the SEBI (LODR) Regulations 2015 as detailed below.

Name of Director	Position	Category
Mr.K.Ganesan	Chairman	Non-Executive Ind. Director
Mr.V.M.Lakshminarayanan	Member	Promoter/Executive Director
Mr.M.Padmanabhan	Member	Non-Executive Ind. Director
Mr.A.Balasubramanian	Member	Non-Executive Ind. Director

(iii) Meetings and attendance during Financial year ended 31st March 2019:

During the financial year ended on 31st March 2019, the Audit Committee met eleven times on 06.04.2018, 11.05.2018, 18.05.2018, 28.05.2018, 07.07.2018, 07.08.2018, 31.10.2018, 21.11.2018, 22.12.2018, 11.02.2019 and 23.03.2019.

Name of Director	Attendance at Audit Committee meetings
Total no. of meetings held during the year which were attended by the Members	11
Mr. K.Ganesan	11
Mr.M.Padmanabhan	11
Mr.A.Balasubramanian	11
Mr.V.M.Lakshminarayanan	11

The Audit Committee Meetings were also attended by the Statutory/Cost/Internal Auditors, whenever necessary.

4. 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;
- 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

REPORT ON CORPORATE GOVERNANCE

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.
- 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 Chairperson

The Composition of the Committee is in line with the provisions of Section 178 of Companies Act 2013 and Regulation 19(1) of the SEBI (LODR) Regulations 2015 as detailed below.

Name of Director	Position	Category
Mr.K.Ganesan	Chairman	Non-Executive Ind. Director
Mr.M.Padmanabhan	Member	Non-Executive Ind. Director
Mr.A.Balasubramanian	Member	Non-Executive Ind. Director
Mr.Anand Mundra	Member	Nominee Director

(iii) Meetings and Attendance during the financial year ended on 31.03.2019:

During the financial year ended on 31st March 2019, the Nomination and Remuneration Committee met two times on 06.04.2018 and 22.12.2018.

Name of Director	Attendance at Remuneration Committee meeting
Total no. of meetings held during the year which were attended by the Members	2
Mr.K.Ganesan	2
Mr.M.Padmanabhan	2
Mr.A.Balasubramanian	2
Mr.Anand Mundra	1

(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 made available on the website of the Company www.butterflyindia.com.

5. REMUNERATION OF DIRECTORS

(a) Non-Executive/Independent Directors

The Company has only one Non-Executive Director, who is the Nominee Director of the Private Equity Participants. In addition, there are seven Independent Directors including a Woman Independent Director. None of the Non-Executive Director/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 Rs.15,000/- for each Board/ Committee meeting attended by them. Details of such sitting fee paid to them during the financial year ended 31st March 2019 are given below:

Name of the Director	Sitting Fees (Rs.)
Mr.K.Ganesan	5,10,000
Mr.M.Padmanabhan	5,10,000
Mr.A.Balasubramanian	3,45,000
Mr.G.S.Samuel	1,65,000
Mr.T.R.Srinivasan	1,35,000
Mrs.Maheswari Mohan	1,05,000
TOTAL	17,70,000

The above sitting fees are within the ceiling prescribed under the provisions of the Companies Act 2013.

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

The Managerial remuneration paid to the Wholetime Directors is within the ceiling prescribed under Schedule V of Section 197 of the Companies Act 2013.

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Details of remuneration paid/payable to the Managing Directors and Wholetime Executive Directors during the financial year ended on 31.03.2019 are as follows:

(Rs.)

Name of Director	Salary	Perquisites	Contribution to PF	Total
V.M.Lakshminarayanan	45,00,000	9,00,000	5,40,000	59,40,000
V.M.Balasubramaniam	44,25,000	8,85,000	5,31,000	58,41,000
V.M.Seshadri	43,50,000	8,70,000	5,22,000	57,42,000
V.M.Gangadharam	42,00,000	8,40,000	5,04,000	55,44,000
V.M.Kumaresan	42,00,000	8,40,000	5,04,000	55,44,000

There is 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 Wholetime Executive Directors is for a period of five years from their respective dates of appointments. Messrs.V.M.Lakshminarayanan, V.M.Balasubramaniam, V.M.Seshadri, V.M.Gangadharam and V.M.Kumaresan being Promoter-Directors no service contract/notice period has been stipulated for them.

Stock Option details: Nil

6. SHAREHOLDERS' RELATIONSHIP COMMITTEE:

Composition, Name of the Members and Chairperson:

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, as detailed below:

Name of Director	Position	Category
Mr.K.Ganesan	Chairman	Non-Executive Independent
Mr.M.Padmanabhan	Member	Non-Executive Independent

Name and Designation of Compliance Officer:

Name of Compliance Officer	Designation
Mr.K.S.Ramakrishnan	Company Secretary & General Manager - Legal

During the financial year ended on 31st March 2019, the Shareholders' Relationship Committee met four times on 23.04.2018, 11.07.2018, 09.10.2018 and 10.01.2019.

Number of Shareholders' complaints received during the financial year:

During the financial year, the Company received Nil shareholders' complaints and there is no pending complaint.

Number not solved to the satisfaction of shareholders – Nil

Number of pending complaints: Nil

7. SHARE TRANSFER COMMITTEE:

The Committee consisted of the following,

- i. Mr.V.M.Seshadri, Managing Director
- ii. Mr.K.S.Ramakrishnan, Company Secretary & General Manager-Legal

Share Transfer Committee meetings were held on 05.04.2018, 30.04.2018, 30.05.2018, 25.06.2018, 18.07.2018, 11.08.2018, 25.08.2018, 21.09.2018, 09.10.2018, 31.10.2018, 12.11.2018, 21.11.2018, 30.11.2018, 11.12.2018, 05.01.2019, 21.01.2019, 01.02.2019, 20.02.2019, 01.03.2019, 11.03.2019, 21.03.2019 and 30.03.2019.

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8. GENERAL BODY MEETINGS / POSTAL BALLOTS:

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

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
2015-16	29 th AGM	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam-603103,	05.08.2016 at 11.00 a.m.	<p>a. Pursuant to Sections 196, 197 and 203 of the Act, reappointment of Mr.V.M. Seshadri as Managing Director for a period of five years w.e.f. 01.06.2017 to 31.05.2022.</p> <p>b. Pursuant to Sections 196, 197 and 203 of the Act, reappointment of Mr.V.M. Gangadharam as Executive Director for a period of five years w.e.f. 01.10.2016 to 31.09.2022.</p> <p>c. Pursuant to Section 14 and 15 of the Act, amendment of article 117 of the Articles of Association of the Company.</p>
2016-17	30 th AGM	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam-603103,	07.09.2017 at 11.00 a.m.	NIL
2017-18	31 st AGM	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam-603103,	11.09.2018 at 11.00 a.m.	Pursuant to Regulations 17(1A) of the SEBI (LODR) Regulations, 2015 as amended on 9.5.2018 and applicable provisions of Companies Act 2013, continuation of Directorship of Mr.K.Ganesan, Non-Executive Independent Director till the end of his present tenure.

Whether any Special Resolution passed last year through postal ballot - details of voting pattern:

No special resolution was passed through postal ballot last year.

Whether any Special Resolution is proposed to be conducted through postal ballot: None

Procedure for Postal Ballot: Not Applicable.

B) POSTAL BALLOTS:

The Company had passed the following special resolution through Postal Ballot Notice as under:

I. Postal Ballot dated 22.12.2018

Date of Postal Ballot Notice : 22.12.2018 Voting period : 08.01.2019 to 06.02.2019

Date of declaration of result : 08.02.2019 Date of approval : 06.02.2019

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Item No.	Particulars	Type of Resolution	No. of votes polled	Votes cast			
				In favour	%	Against	%
1	Continuation of office by Mr.V.M.Lakshminarayanan as Managing Director of the Company after attaining the age of 70 years during his term of appointment.	Special	12136372	12132423	99.9	3949	0.03
2	Revision of remuneration to Mr.V.M Lakshminarayanan, Managing Director	Special	12136617	12131702	99.9	4915	0.04
3	Revision of remuneration to Mr.V.M Balasubramaniam, Managing Director	Special	12136822	12132335	99.96	4467	0.03
4	Revision of remuneration to Mr.V.M.Seshadri, Managing Director	Special	12136487	12132116	99.96	4371	0.03
5	Revision of remuneration to Mr.V.M Gangadharam, Executive Director	Special	12136520	12132361	99.99	4159	0.03
6	Revision of remuneration to Mr.V.M Kumaresan, Executive Director – Technical	Special	12136562	12132892	99.97	3670	0.03

II. Postal Ballot dated 04.04.2019

Date of Postal Ballot Notice : 04.04.2019 Voting period : 26.04.2019 to 26.05.2019

Date of declaration of result : 28.05.2019 Date of approval : 26.05.2019

Item No.	Particulars	Type of Resolution	No. of votes polled	Votes cast			
				In favour	%	Against	%
1	Reappointment of Mr.V.M.Lakshminarayanan, Managing Director	Special	12551191	12549614	99.99	1577	0.01
2	Reappointment of Mr.V.M.Balasubramaniam, Managing Director	Special	12551052	12548875	99.98	2177	0.02
3	Reappointment of Mr.K.Ganesan, Independent Director	Special	12551052	12548784	99.98	2268	0.02
4	Reappointment of Mr.M.Padmanabhan, Independent Director	Special	12551052	12548674	99.98	2378	0.02
5	Reappointment of Mr.A.Balasubramanian, Independent Director	Special	12550966	12548613	99.98	2353	0.02
6	Reappointment of Mr.G.S.Samuel, Independent Director	Special	12550648	12548966	99.99	1682	0.01
7	Reappointment of Mr.T.R.Srinivasan, Independent Director	Special	12550652	12548580	99.98	2072	0.02

Scrutinizer:

Mr.Balu Sridhar of M/s.A.K.Jain & Associates, Company Secretaries was appointed for carrying out the above postal ballots in a fair and transparent manner.

Procedure for postal ballot:

In compliance with Sections 108 and 110 and other applicable provisions of Companies Act 2013, read with the related

Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of NSDL. Postal ballot notices and forms are despatched along with postage pre-paid business reply envelopes to registered members/beneficiaries. The same notice is sent by email to members who have opted to receive communication through the electronic mode. The Company also publishes a notice

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in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman and the consolidated results of the voting are announced by the Chairman. The results are also displayed on the Company website, www.butterflyindia.com, besides being communicated to the stock exchanges, and share transfer agent. The last date for the receipt of postal ballot forms or e-voting is the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

9. MEANS OF COMMUNICATION:

- (i) The quarterly Unaudited Financial Results and the Annual Audited Financial Results of the Company, in the prescribed proforma, are taken on record by the Board and are submitted to the Stock Exchanges.
- (ii) The Unaudited Quarterly financial results are published in Trinity Mirror and Makkal Kural.
- (iii) 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.
- (iv) All the official news releases are disseminated on the Company's website whenever necessary.
- (v) The presentation made to Institutional Investors or to the analysts – The quarterly presentation of Company's financial performance is 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.
- (vi) 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. For the shareholders whose email id has not been provided, physical copy of the same is posted.

10. GENERAL SHAREHOLDER INFORMATION:

- (a) Date, time and venue of the Thirty Second Annual General Meeting:

Date : 7th August 2019

Day : Wednesday

Time : 11.00 a.m.

Venue : 143, Pudupakkam Village,
Vandalur-Kelambakkam Road,
Kelambakkam – 603 103, Kancheepuram District

- (b) Particulars of Financial Calendar:

Financial year : 1st April 2019 to 31st March 2020

Unaudited First Quarter Results : On or by 15th August, 2019

Unaudited Second Quarter Results : On or by 15th November, 2019

Unaudited Third Quarter Results : On or by 15th February, 2020

Audited Annual Results : On or by 30th May, 2020

- (c) Date of Book Closure: 31st July 2019 to 7th August 2019 (both days inclusive)
- (d) Date of remote e-voting: from Saturday 3rd August 2019 (9.00 a.m.) to Tuesday 6th August 2019 (5.00 p.m.)
- (e) 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)	Phirioze Jeejeebhoy Towers 25 th Floor, Dalal Street, Mumbai – 400 001
2	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051

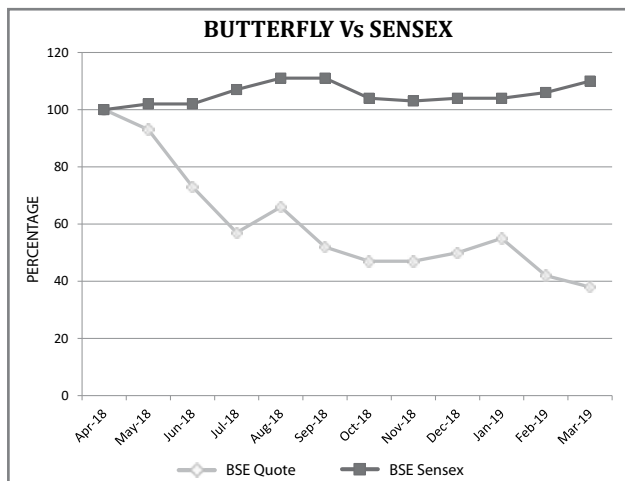
Annual Listing Fees have been paid for the financial year 2019-20.

- (f) Stock Code:

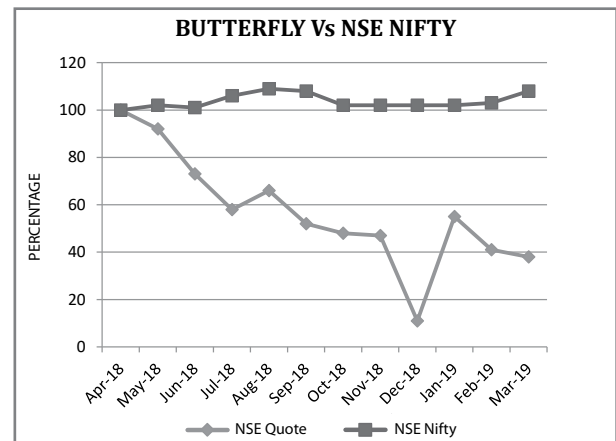
BSE	517421
NSE	BUTTERFLY
ISIN	INE295F01017

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(g) Market Price Data (High/Low) during financial year 2018-2019

STOCK PERFORMANCE VS. BSE SENSEX				
Month	BSE Quote	% Base	BSE sensex	% Base
	High (Rs.)		High (Rs.)	
Apr-18	594.00	100	35213.30	100
May-18	554.00	93	35993.53	102
Jun-18	436.00	73	35877.41	102
Jul-18	338.00	57	37644.59	107
Aug-18	394.70	66	38989.65	111
Sep-18	309.90	52	38934.35	111
Oct-18	281.95	47	36616.64	104
Nov-18	280.00	47	36389.22	103
Dec-18	298.80	50	36554.99	104
Jan-19	327.00	55	36701.03	104
Feb-19	249.00	42	37172.18	106
Mar-19	224.90	38	38748.54	110



STOCK PERFORMANCE VS. NSE NIFTY				
Month	NSE Quote	% Base	NSE sensex	% Base
	High (Rs.)		High (Rs.)	
Apr-18	595	100	10759	100
May-18	548	92	10929.2	102
Jun-18	434	73	10893.3	101
Jul-18	345	58	11366	106
Aug-18	394	66	11760.2	109
Sep-18	308	52	11603	108
Oct-18	283	48	10989.1	102
Nov-18	280	47	10922.5	102
Dec-18	300	11	10985.2	102
Jan-19	327	55	10987.5	102
Feb-19	244	41	11118.1	103
Mar-19	225	38	11630.4	108



(h) The Company's equity shares were not suspended from trading during the financial year 2018-19.

(i) Registrars and Share Transfer Agents:

The public shareholding in the Company are partly dematerialized and partly in physical form. The Company has appointed M/s.GNSA Infotech Private Limited, STA Department, Nelson Chambers, 4th Floor, F Block, No.115, Nelson Manickam Road, Aminthakarai, 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.

(j) Share Transfer System:

Share transfers in physical form are registered and despatched within 15 days from the date of receipt, if documents are complete in all respects. The Share Transfer Committee of the Board every fortnight to approve transfer/transmission of the shares in physical form, processed by the Registrars and Share Transfer Agents. As at 31st March 2019, no Equity Shares were pending for transfer.

(k) Shareholding Pattern as at 31.3.2019

CATEGORY		NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
A	Promoter's holding Promoters & their relatives	11615296	64.96
B	Non-Promoters Holding	--	--
1	INSTITUTIONAL INVESTORS		
	Foreign Portfolio Investor	28815	0.16
	Private Equity Investor	1444710	8.08
	Mutual Funds/UTI	940680	5.26

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CATEGORY		NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
	Financial Institutions/ Banks	2000	0.01
	Others	--	--
2	CENTRAL/STATE GOVERNMENTS	--	--
3	NON-INSTITUTIONAL INVESTORS	--	--
	a. Bodies Corporate	422507	2.36
	b. Indian Public	3251923	18.19
	c. NRIs	146679	0.82
	d. Clearing Members	26941	0.15
	GRAND TOTAL	17879551	100.00

(I) Distribution of shareholding as on 31.03.2019:

No. of Equity Shares Held	No. of Share holders	%	No. of Shares held	%
1 – 500	19229	95.17	1677431	9.38
501 – 1000	537	2.66	423914	2.37
1001 – 2000	225	1.11	345488	1.93
2001 – 3000	59	0.29	142650	0.80
3001 – 4000	30	0.15	104830	0.59
4001 – 5000	27	0.13	124004	0.69
5001 – 10000	51	0.25	384476	2.15
Above 10000	47	0.23	14676758	82.09
TOTAL	20205	100.00	17879551	100.00
No. of shares held in physical form	7857	38.89	699874	3.91
No. of Shares held in electronic mode	12348	61.11	17179677	96.09
Total	20205	100.00	17879551	100.00

(m) Dematerialisation of shares and liquidity: As on 31.03.2019, 96.09% of the paid- capital has been dematerialised.

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

(o) Plant locations :

- (i) 143, Pudupakkam Village,
Vandalur-Kelambakkam Road,
Kelambakkam - 603 103
Kancheepuram District
Tamil Nadu
- (ii) No.41, Pudupakkam Village,
Vandalur – Kelambakkam Road,
Kanchipuram District – 603 103
Tamil Nadu
- (iii) No.7, Karanai-Puducherry Village,
Kattur - 603 202, Chengalpattu Taluk
KancheepuramDist
Tamil Nadu

(p) Address for Communication:

All communication regarding share transactions, change of address, bank mandates, nominations etc. should be addressed to the Registrars and Share transfer agents and complaints, if any, to the Corporate Office in the following addresses:

Registrar and Share Transfer Agents:

GNSA Infotech Private Limited,
STA Department, Nelson Chambers,
4th Floor, F-Block,
No.115, Nelson Manickam Road, Aminthakarai,
Chennai – 600029
Email:ravi.k@gnsaindia.com

Corporate Office:

Company Secretary & General Manager – Legal
Butterfly Gandhimathi Appliances Limited
E-34, II Floor, Rajiv Gandhi Salai,
Egattur Village,
Navalur-600130, Kancheepuram District
Email: butterflyho@butterflyindia.com and
cs@butterflyindia.com

10. 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 financial year 2018-2019, no transaction of material nature has been entered into by the Company

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with its Promoters, the Directors or the management and relatives, etc., that may have a potential conflict with the interest of the Company.

All related party transactions are placed before the Audit Committee and also the Board meeting for approval. Omnibus approval of the Audit Committee and Board was obtained on a yearly basis for the transactions which are of a foreseen or repetition nature. A statement giving details of transactions entered into with related parties pursuant to the omnibus approval so granted, is placed before the Audit Committee and the Board of Directors for their approval /ratification on a quarterly basis.

The Register of Contracts containing transactions, in which directors are interested, is placed before the Board quarterly.

The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy on Related Party Transactions, to regulate the transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Policy as approved by the Board is uploaded on the Company's website at www.butterflyindia.com.

The details of the Related Party Transactions in Form AOC-2 are annexed to the Directors' Report.

(ii) 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 was no non-compliance by the Company, penalties or strictures imposed on the Company by Stock Exchange(s), SEBI, or any other Statutory Authority or any matters relating to capital market during the last three years.

(iii) Whistle Blower policy and affirmation that no personnel has 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.

(iv) 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.

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

The Company has no subsidiary.

(vi) 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.

(vii) Policy for Prohibition of Insider Trading:

Vide Notification No.EBI/LAD-NRO/GN/2018/59 Securities and Exchange Board of India (SEBI) has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 with effect from April 01, 2019. The Company has accordingly amended its Prohibition of Insider Trading Code and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company in its Board meeting held on 4th April 2019 has taken necessary initiative to implement the same. The Code also provides for pre-clearance of transactions by designated persons.

(viii) 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 2019.

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

The Certificate dated 23rd May 2019 received from M/s.A.K.Jain & Associates practicing Company Secretary

REPORT ON CORPORATE GOVERNANCE

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.**

(x) Fees to Statutory Auditors:

The details of total fees for services paid/payable by the Company to the Statutory Auditors - M/s.ASA & Associates LLP for the year 2018-19:

(Rs.in lakhs)

Particulars	Amount (2018-19)
Statutory Audit Fee	12.00
Three quarterly review Audit Fee	3.00
Total	15.00

The Auditor will also be entitled of reimbursement of out of pocket expenses at actual in connection with audit and also GST.

Place: Navalur-600 130
Date: 24.05.2019

For and on behalf of the Board of Directors
V.M.LAKSHMINARAYANAN
Chairman and Managing Director

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.

Place: Navalur-600 130
Date: 24.05.2019

V.M.LAKSHMINARAYANAN
Chairman and Managing Director

ANNEXURE A

Certificate from Company Secretary in Practice

[Pursuant to clause 10 of Part C of Schedule V of SEBI (LODR) 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) I 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 March 31, 2019, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority.

Chennai
May 23, 2019

Sd/
A.K.Jain & Associates
Company Secretaries
(Balu Sridhar)
Partner
FCS No.5869
C.P.No.3550

CERTIFICATION UNDER SEBI (LODR) REGULATION 2015

To

The Board of Directors
Butterfly Gandhimathi Appliances Limited

- A.** We have reviewed financial statements for the year ended on 31.3.2019 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.

V.M.Lakshminarayanan
CMD

V.M.Balasubramaniam
VC&MD

V.M.Seshadri
MD

V.M.Gangadharam
ED

V.M.Kumaresan
ED-Technical

R.Nagarajan
CFO

Place : Navalur – 600 130

Date : 24.05.2019

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes preparation and maintenance of all relevant supporting records and documents, the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2019.

We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose

of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

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
F.R No: 009571N/N500006

S.SUNDAR RAJAN
Partner
Membership No: 211414
UDIN: 19211414AAAABZ7810

Place: Chennai
Date : May 24, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

Report on the Audit of Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of **Butterfly Gandhimathi Appliances Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity, 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 Ind AS 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, 2019 and profit, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter(s) described below are the key audit matters to be communicated in our audit report

Sl. No	Key Audit Matter	Auditor's Response
1	Provision towards warranty obligation: Company provides for the warranty expenses based on the certain estimation which involves significant judgment.	Principal Audit Procedures: We have obtained the complete working and basis and assumption made in determining the warranty provision. We have validated the underlying data used for warranty provisioning and actual warranty expenses were compared with the provision made in the earlier years to ascertain that the basis of estimation is adequate to cover the warranty obligation of the Company.
2	Deferred Tax Asset: Recognition of Deferred Tax Asset especially with respect to accumulated business losses involves significant management estimate of future performance and timing of future taxable profit of the Company.	Principal audit procedures: Our procedures focused on evaluating the directors' determination of the estimated manner in which the timing difference will be realized by obtaining other audit evidence such as budgets approved by the Board for the next year, estimated cash flows and achievement of Board approved budgets with actuals in the prior periods.

4. Information Other than the Ind AS Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of 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 and Report on Corporate Governance but does not include the Ind AS financial statements and our auditor's report thereon.

Our report on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

5. Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, 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) prescribed 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 Ind AS 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 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 system 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the Ind AS 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

INDEPENDENT AUDITOR'S REPORT

influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS 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.

7. Report on Other Legal and Regulatory Requirements

7.1 As required by the Companies (Auditor's Report) Order, 2016 ("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 said Order, to the extent applicable.

7.2 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 the Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting

Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33.1.1 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; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

S Sundar Rajan

Partner

Membership No: 211414

Place: Chennai

Date: May 24, 2019

INDEPENDENT AUDITOR'S REPORT

ANNEXURE - A

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets;
- (b) Some of the fixed assets were physically verified during the year by the management in accordance with phased programme 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) 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 tile 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.
- ii. The management has conducted the physical verification of inventory during the year and according to the information and explanation given to us no material discrepancies were noticed on such physical verification;
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv. The Company has not granted any loans, made investments and provided any guarantee or security.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has prescribed maintenance of cost records U/s. 148(1) of 'the Act'. We have broadly reviewed the records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under the said section and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other statutory dues with the appropriate authorities. There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable;
- (b) The details of service tax, duty of excise and value added tax that have not been deposited on account of dispute are as under:

INDEPENDENT AUDITOR'S REPORT

Sl. No	Name of the Statue	Nature of the dues	Amount (Rs.in Lakh)	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty	1898.62	FY2011-12 to 2013-14	Supreme Court
2	Central Excise Act, 1944	Excise Duty	139.23	FY 2011-12 FY 2012-13 FY 2014-15 & FY 2015-16	Customs, Excise, Service Tax Appellate Tribunal (CESTAT)
3	Central Excise Act, 1944	Excise Duty	1.05	1998-99	Assistant Commissioner - Chennai II Commmissionerate
4	Finance Act, 1994	Service Tax	73.39	FY 2008-09 to 2014-15	Assistant commissioner / Commissioner Appeals, Chennai
5	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax (VAT)	115.13	FY 2009-10 to 2013-14	Sales Tax Appellate Tribunal , Tamil Nadu
6	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax (VAT)	64.70	FY 2006-07 to 2008-09	Assistant Commissioner (CT), Washermanpet II
7	Kerela Value Added Tax	Value Added Tax (VAT)	26.07	FY 2011 – 12 and FY 2013-14	Deputy Commissioner Appeals, Ernakulam
8	Odhisa Value Added Tax	Value Added Tax (VAT)	10.72	FY 2013-14	JC sales tax appeal

viii On this basis of verification of records and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to Financial Institutions/Banks.

ix The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. The moneys raised by way of term loans were applied for the purpose for which the term loans were raised.

x According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year;

xi The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the "Act";

xii The Company is not a Nidhi Company;

xiii The transactions with the related parties are in compliance with section 177 and section 188 of the Act,

where applicable and details have been disclosed in the Financial Statements as required by the applicable accounting standards;

xiv The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;

xv The Company has not entered into any non-cash transactions with Directors or persons connected with them;

xvi The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

S Sundar Rajan

Partner

Membership No: 211414

Place: Chennai

Date: May 24, 2019

ANNEXURE – B

(as referred to in paragraph 7.2(f) of our Independent Auditors' Report of even date to the members of Butterfly Gandhimathi Appliances Limited)

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, 2019 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

INDEPENDENT AUDITOR'S REPORT

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") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance

regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 issued by the ICAI.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

S Sundar Rajan

Partner

Membership No: 211414

Place: Chennai

Date: May 24, 2019

BALANCE SHEET AS AT MARCH 31, 2019

₹ in Lakhs

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	1	12,839.07	12,446.42
(b) Capital Work-in-Progress		652.76	177.22
(c) Other Intangible Assets	2	3,877.33	4,144.37
(d) Financial Assets			
(i) Investments	3	23.31	11.34
(ii) Other Financial Assets	4	107.60	246.32
(e) Deferred Tax Assets (Net)	5.1	136.29	138.35
Current Assets			
(a) Inventories	6	14,210.29	12,513.37
(b) Financial Assets			
(i) Trade Receivables	7	11,705.82	13,055.76
(ii) Cash and Cash Equivalents	8	327.68	1,630.42
(iii) Bank Balances other than (ii) above	9	655.34	639.05
(iv) Other Financial Assets	10	445.67	300.34
(c) Current Tax Assets (Net)	11	48.21	48.21
(d) Other Current Assets	12	1,354.48	1,410.38
Total Assets		46,383.85	46,761.55
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	1,787.96	1,787.96
(b) Other Equity	14	17,153.58	16,233.27
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	15	3,940.01	4,316.70
(ii) Other Financial Liabilities	16	277.66	264.66
Current Liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowings	17	10,433.68	14,536.82
(ii) Trade Payables			
a) Dues to Micro Enterprises and Small Enterprises	18	49.33	20.41
b) Other than (ii) (a) above	18	9,889.72	5,591.39
(iii) Other Financial Liabilities	19	1,526.35	2,466.41
(b) Other Current Liabilities	20	581.26	825.87
(c) Short Term Provisions	21	648.23	540.09
(d) Current Tax Liabilities (Net)	22	96.07	177.97
Total Equity and Liabilities		46,383.85	46,761.55

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

S SUNDAR RAJAN

Partner

Membership No. 211414

V.M.LAKSHMINARAYANAN

Chairman & Managing Director

A.BALASUBRAMANIAN

Director

R.NAGARAJAN

Chief Financial Officer

For and On Behalf of the Board

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
V.M.SESHADRI

Managing Director

K.S.RAMAKRISHNAN

Company Secretary & GM (Legal)

Place: Chennai

Date: 24.05.2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

Particulars	Note No	Year Ended March 31, 2019	Year Ended March 31, 2018
I Revenue from Operations	23	65,198.32	54,931.07
II Other Income	24	204.93	160.52
III Total Income (I+II)		65,403.25	55,091.59
IV Expenses			
Cost of Materials Consumed	25	31,663.55	21,875.56
Purchase of Stock in Trade		9,760.49	10,641.73
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(2,422.35)	(991.09)
Excise Duty		-	875.45
Employee Benefits Expense	27	7,014.65	5,733.06
Finance Costs	28	2,245.12	1,808.80
Depreciation and Amortisation	29	1,289.27	1,237.78
Other Expenses	30	14,613.24	13,326.81
Total Expenses (IV)		64,163.97	54,508.10
V Profit Before Exceptional Items and Tax (III- IV)		1,239.28	583.49
VI Exceptional Items		-	-
VII Profit Before Tax (V- VI)		1,239.28	583.49
VIII Tax Expense			
- Current Tax		260.11	175.92
- Deferred Tax		21.91	(73.73)
Total Tax Expense		282.02	102.19
IX Profit for the Year (VII- VIII)		957.26	481.30
X Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plan Actuarial Gains / (Losses)		(56.79)	35.79
Income Tax expense on above	5.2	19.84	(12.17)
		(36.95)	23.62
XI Total Comprehensive Income for the Year (Comprising Profit and other comprehensive Income for the Year) (IX+ X)		920.31	504.92
XII Earnings Per Equity Share (Face Value of ₹. 10 each)	40		
(1) Basic ₹.		5.15	2.82
(2) Diluted ₹.		5.15	2.82

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

S SUNDAR RAJAN

Partner

Membership No. 211414

Place: Chennai

Date: 24.05.2019

V.M.LAKSHMINARAYANAN

Chairman & Managing Director

A.BALASUBRAMANIAN

Director

R.NAGARAJAN

Chief Financial Officer

V.M.SESHADRI

Managing Director

K.S.RAMAKRISHNAN

Company Secretary & GM (Legal)

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Cash Flows from Operating Activities		
Profit Before Tax	1,239.28	583.49
Adjustments:		
Interest Income	(27.16)	(10.36)
Loss on Sale of Fixed Assets (Net)	4.52	7.01
Adjustment for Other Comprehensive Income (OCI)	(56.79)	35.79
Interest Expense	2,245.12	1,808.80
Provision for Bad & Doubtful Debts	39.45	264.33
Provision for Warranty	490.84	473.18
Provision for Employee Benefits	139.62	129.05
Depreciation and Amortization	1,289.27	1,237.78
Other Non Cash Items	(25.12)	(7.85)
Operating Cash Flow before Working Capital Changes	5,339.03	4,521.22
Changes in		
Decrease/(Increase) In Trade Receivables	1,310.49	(4,517.39)
Decrease/(Increase) In Inventory	(1,696.92)	(1,636.42)
Decrease/(Increase) In Other Current Financial Asset(s)	(161.62)	(283.00)
Decrease/(Increase) In Other Current Asset(s)	55.90	(495.41)
Decrease/(Increase) In Non-Current Trade Receivables	-	283.57
Decrease/(Increase) In Other Non-Current Financial Assets	138.72	15.88
Decrease/(Increase) In Other Non-Current Asset	-	8.68
(Decrease)/Increase In Trade Payables Current	4,351.55	(360.22)
(Decrease)/Increase In Other Current Liabilities	(244.61)	(492.94)
(Decrease)/Increase In Other Financial Liabilities	1.44	(3.75)
(Decrease)/Increase In Short Term Provisions Current	(522.32)	(453.64)
Decrease/(Increase) In Other Non-Current Financial Liabilities	13.00	-
Income Taxes paid (net)	(342.62)	(69.35)
Cash Generated from / (used in) Operations	8,242.04	(3,482.77)
Cash Flows from Investing Activities		
Purchase of Fixed Assets / Capital Work-in-progress	(1,920.60)	(864.84)
Proceeds from Sale of Fixed Assets	25.69	3.40
Non Current Investments	(10.00)	-
Interest Received	27.16	10.36
Net Cash Generated from/(used in) Investing Activities	(1,877.75)	(851.08)
Cash Flows from Financing Activities		
Proceeds from Long Term Borrowings	941.65	418.82
Repayment of Long Term Borrowings	(2,260.90)	(1,586.77)
Net increase / (decrease) in Short Term Borrowings	(4,103.14)	6,145.86
Interest Paid	(2,245.12)	(1,808.80)
Net Cash used in Financing Activities	(7,667.51)	3,169.11
Effect of Exchange Rate on Translation of Foreign Currency Cash and Cash Equivalents (loss) / Gain	0.48	(0.55)
Increase in Cash and Cash Equivalents	(1,303.22)	(1,164.73)
Cash and Cash Equivalents at the Beginning of the Year	1,630.42	2,795.70
Cash and Cash Equivalents at the End of the Year	327.68	1,630.42
Components of Cash and Cash Equivalents (Refer Note 8)		
Cash on Hand	8.21	20.07
Bullion on Hand	15.87	10.73
Balances with Banks	303.60	1,599.62
Total Cash and Cash Equivalents	327.68	1,630.42

As per our report of even date attached

For ASA & Associates LLP
 Chartered Accountants
 Firm Regn No. 009571N/N500006

S SUNDAR RAJAN
Partner
 Membership No. 211414

V.M.LAKSHMINARAYANAN
 Chairman & Managing Director

A.BALASUBRAMANIAN
 Director

R.NAGARAJAN
 Chief Financial Officer

For and On Behalf of the Board

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

V.M.SESHADRI
 Managing Director

K.S.RAMAKRISHNAN
 Company Secretary & GM (Legal)

Place: Chennai
 Date: 24.05.2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

A. Equity Share Capital	
As at April 01, 2017	1,787.96
Changes in Equity Share Capital during the year	-
As at March 31, 2018	1,787.96
Changes in Equity Share Capital during the year	-
As at March 31, 2019	1,787.96

B. Other Equity

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, 2017	538.56	9,701.53	1.73	142.10	80.08	28.14	15,728.35	
Total Comprehensive Income for the Year	-	-	-	481.30	-	-	481.30	
Other Comprehensive Income for the Year	-	-	-	-	-	23.62	23.62	
Balance as at March 31, 2018	538.56	9,701.53	1.73	142.10	80.08	51.76	16,233.27	
Total Comprehensive Income for the Year	-	-	-	-	-	-	957.26	
Other Comprehensive Income for the Year	-	-	-	-	-	(36.95)	(36.95)	
Balance as at March 31, 2019	538.56	9,701.53	1.73	142.10	80.08	14.81	17,153.58	

* Forfeited Shares (Transferred from Share Capital)

** On Redemption of Preference Shares issued by erstwhile Gangadharam Appliances Limited to The Industrial Finance Corporation of India (IFCI)

As per our report of even date attached

For ASA & Associates LLP

Chartered Accountants

Firm Regn No. 009571N/N500006

S SUNDAR RAJAN

Partner

Membership No. 211414

Place: Chennai

Date: 24.05.2019

V.M.LAKSHMINARAYANAN

Chairman & Managing Director

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Managing Director

A.BALASUBRAMANIAN

Director

K.S.RAMAKRISHNAN

Company Secretary & GM (Legal)

R.NAGARAJAN

Chief Financial Officer

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, 2019
1 - Property Plant and Equipment

₹ in Lakhs

Description	Land	Buildings	Plant and Equipment	Tools and Dies	Electrical Installations and Equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures	Total
As at April 01, 2017	4,020.02	3,137.80	2,614.02	1,418.80	413.41	134.94	138.95	370.07	795.37	13,043.38
Additions during the year	-	20.51	219.05	521.86	29.45	43.06	6.97	255.81	7.41	1,104.12
Deletions during the year	-	-	(0.99)	-	-	(1.65)	-	(21.89)	-	(24.53)
As at March 31, 2018	4,020.02	3,158.31	2,832.08	1,940.66	442.86	176.35	145.92	603.99	802.78	14,122.97
Additions during the year	-	44.76	667.23	391.85	36.52	28.96	15.93	166.63	35.06	1,386.94
Deletions during the year	-	-	(17.48)	-	-	-	-	(30.12)	-	(47.60)
As at March 31, 2019	4,020.02	3,203.07	3,481.83	2,332.51	479.38	205.31	161.85	740.50	837.84	15,462.31
Depreciation										
As at April 01, 2017	-	113.38	221.28	175.08	43.95	52.23	31.51	59.07	101.44	797.94
Charge for the year	-	120.63	209.54	267.41	49.48	28.14	28.05	85.47	104.02	892.74
Deletions during the year	-	-	(0.37)	-	-	(1.09)	-	(12.65)	-	(14.11)
As at March 31, 2018	-	234.01	430.45	442.49	93.43	79.28	59.56	131.89	205.46	1,676.57
Charge for the year	-	121.15	249.65	286.47	50.76	28.49	23.86	101.55	102.18	964.11
Deletions during the year	-	-	(0.70)	-	-	-	-	(16.74)	-	(17.44)
As at March 31, 2019	-	355.16	679.40	728.96	144.19	107.77	83.42	216.70	307.64	2,623.24
Net Book Value										
As at March 31, 2019	4,020.02	2,847.91	2,802.43	1,603.55	335.19	97.54	78.43	523.80	530.20	12,839.07
As at March 31, 2018	4,020.02	2,924.30	2,401.64	1,498.18	349.43	97.08	86.36	472.11	597.32	12,446.42

1.1. Vehicles includes Assets acquired on "Hire Purchase" basis.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

2 - Other Intangible Assets

Description	Usage Right of Trade Mark	Trade Mark and License	Computer Software	Total
As at April 01, 2017	176.00	4,297.50	353.57	4,827.07
Additions during the year	-	-	6.18	6.18
As at March 31, 2018	176.00	4,297.50	359.75	4,833.25
Additions during the year	-	-	58.12	58.12
As at March 31, 2019	176.00	4,297.50	417.87	4,891.37
Amortization				
As at April 01, 2017	16.00	238.75	89.08	343.83
Amortization for the year	16.00	238.75	90.30	345.05
As at March 31, 2018	32.00	477.50	179.38	688.88
Amortization for the year	16.00	238.75	70.41	325.16
As at March 31, 2019	48.00	716.25	249.79	1,014.04
Net Book Value				
As at March 31, 2019	128.00	3,581.25	168.08	3,877.33
As at March 31, 2018	144.00	3,820.00	180.37	4,144.37

3 - Investments - Non Current

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in Mutual Funds	23.31	11.34
Total	23.31	11.34

3.1 Aggregate amount of Quoted Investments

- Cost	20.00	10.00
- Market Value	23.31	11.34

4 - Other Financial Assets - Non Current

Particulars	As at March 31, 2019	As at March 31, 2018
Long Term Security Deposit	107.60	246.32
Total	107.60	246.32

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
5 - Deferred Tax Assets / (Liabilities)
5.1 Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liability		
Property, Plant and Equipment	1,821.51	1,701.95
Others	0.03	1.65
Remeasurements of defined benefit plan actuarial gains/ (losses) - OCI	6.83	26.67
Sub Total	1,828.37	1,730.27
Deferred tax Assets		
Brought forward Business Losses	1,222.85	1,212.48
Provision for Discounts	-	6.13
Provision for Bad and Doubtful Debts	111.91	95.49
MAT Credit Entitlement	337.28	344.23
Employee Benefits	111.86	49.41
Provision for Warranty	180.76	160.88
Sub Total	1,964.66	1,868.62
Net Deferred Tax Assets / (Liabilities)	136.29	138.35

Movement in Deferred Tax balances during the year ended March 31, 2019

Particulars	Balance As at April 01, 2018	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2019
Property, Plant and Equipment	(1,701.95)	(119.56)	-	(1,821.51)
Others	(1.65)	1.62	-	(0.03)
Brought forward Business Losses	1,212.48	10.37	-	1,222.85
Provision for Discounts	6.13	(6.13)	-	-
Provision for Bad and Doubtful Debts	95.49	16.43	-	111.91
MAT Credit Entitlement	344.23	(6.95)	-	337.28
Remeasurement of Defined Benefit Plan	(26.67)	-	19.84	(6.83)
Employee Benefits	49.41	62.45	-	111.86
Provision for Warranty	160.88	19.88	-	180.76
Total	138.35	(21.91)	19.84	136.29

Unrecognised Deferred Tax Assets

Deferred Tax Assets have not been recognised in respect of the following items

Particulars	As at March 31, 2019	As at March 31, 2018
Unutilised tax credit	364.83	175.92
Unutilised tax losses	171.96	621.58
Total	536.79	797.50

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
5.2 Tax Recognised in Other Comprehensive Income

₹ in Lakhs

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Defined benefit plan Actuarial Gains (Losses)	19.84	(12.17)
Total	19.84	(12.17)

5.3 Reconciliation of Effective Tax Rates

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit Before Tax	1,239.28	583.49
Enacted tax Rate (under Normal Provisions)	31.20%	33.06%
Enacted tax Rate (under MAT)	21.55%	20.39%
Computed Expected Tax Expenses - Normal Provision*	386.66	192.92
Computed Expected Tax Expenses - MAT**	267.06	118.97
Non-deductible expenses	9.74	53.86
Ind AS Transition Adjustment	(4.45)	(4.21)
OCI Income / (Expenses)	(12.24)	7.30
Current Tax	260.11	175.92
Deferred Tax	2.07	(61.56)
Tax Expenses for the year	262.18	114.36

* Tax payable under the normal provisions is ₹ 17.32 Lakhs (PY Nil) for the year ended 31.03.2019 after setting of the unabsorbed accumulated losses to the extent ₹.1,222.96 Lakhs allowed u/s 72 of Income Tax Act, 1961 balance unabsorbed loss carried forward ₹. 3,992 Lakhs. Hence reconciliation of effective tax rate under normal tax computation does not arise.

** As the Company is liable to pay tax under section 115JB of the income tax Act 1961 the effective tax rate reconciliation is provided as per the rate applicable for MAT.

6 - Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials and Components (Refer 6.1 below)	4,370.63	5,158.81
Work in Progress	1,267.79	768.26
Finished Goods	4,547.12	3,078.01
Traded Goods	3,834.52	3,380.81
Consumables	178.78	127.48
Stores	11.45	-
Total	14,210.29	12,513.37

6.1 Includes Goods in Transit

-

78.66

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
7 - Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables		
Considered Good - Secured	240.87	245.49
Considered Good - Unsecured	11,073.89	11,284.73
Have Significant increase in Credit Risk	85.70	187.36
Credit impaired	245.00	149.44
Retention Money Receivable - Unsecured Considered Good	380.66	1,469.59
Less:		
Impairment for Trade Receivable under expected credit loss model	320.30	280.85
Total	11,705.82	13,055.76

8 - Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
i) Balances with Banks	303.60	1,599.62
ii) Cash on Hand (Refer Note 8.1 below)	8.21	20.07
iii) Bullion on Hand	15.87	10.73
Total	327.68	1,630.42

 8.1 Includes INR equivalent of Foreign Currency 4.47 5.57
9 - Bank Balances other than in 8 (i) above

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Balances held as Margin Money	626.66	604.95
Unpaid Dividend account	28.68	34.10
Total	655.34	639.05

10 - Other Current Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
- Loans and Advances	297.04	135.04
Accrued Interest	3.90	14.78
Deposits with Authorities	144.73	150.52
Total	445.67	300.34

11 - Current Tax Asset

Particulars	As at March 31, 2019	As at March 31, 2018
Refund Receivable	48.21	48.21
Total	48.21	48.21

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
12 - Other Current Assets

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured Considered Good		
Balance with Government Authorities	745.85	819.60
Prepaid Expenses	124.29	98.22
Advances to Suppliers		
- Capital	23.59	26.89
- Others	440.81	456.99
Prepayments - Deposits / Retention Money	-	8.68
Others	19.94	-
Total	1,354.48	1,410.38

13 - Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
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	1,787.96	1,787.96
Total	1,787.96	1,787.96

13.1 Movement in respect of Equity Shares is given below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning of the period	1,78,79,551	1,787.96	1,78,79,551	1,787.96
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	1,78,79,551	1,787.96	1,78,79,551	1,787.96

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.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
V.M. Chettiar & Sons India LLP	35.07	19.62%	35.07	19.62%
LLM Appliances Private Limited	30.47	17.04%	30.47	17.04%
Mr.V.M.Seshadri	12.52	7.00%	12.52	7.00%
Reliance Alternative Investments Fund -Private Equity Scheme -I	10.01	5.60%	10.01	5.60%
Mr.V.M.Lakshminarayanan	10.01	5.60%	10.01	5.60%
Total	98.08	54.86%	98.08	54.86%

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
14 Other Equity

For the year ended March 31, 2019

Particulars	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	General Reserve	Security Premium	Capital Profit		Retained Earnings	Revaluation Surplus	Remeasurement of Net Defined benefit Liability/ Asset	
			Capital Reserve *	Capital Redemption Reserve **				
Balance as at April 01, 2018	538.56	9,701.53	1.73	142.10	5,717.51	80.08	51.76	16,233.27
Total Comprehensive Income for the Year	-	-	-	-	957.26	-	-	957.26
Other Comprehensive Income for the Year	-	-	-	-	-	-	(36.95)	(36.95)
Balance as at March 31, 2019	538.56	9,701.53	1.73	142.10	6,674.77	80.08	14.81	17,153.58

For the year ended March 31, 2018

Particulars	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	General Reserve	Security Premium	Capital Profit		Retained Earnings	Revaluation Surplus	Remeasurement of Net Defined benefit Liability/ Asset	
			Capital Reserve *	Capital Redemption Reserve **				
Balance as at April 01, 2017	538.56	9,701.53	1.73	142.10	5,236.21	80.08	28.14	15,728.35
Total Comprehensive Income for the Year	-	-	-	-	481.30	-	-	481.30
Other Comprehensive Income for the Year	-	-	-	-	-	-	23.62	23.62
Balance as at March 31, 2018	538.56	9,701.53	1.73	142.10	5,717.51	80.08	51.76	16,233.27

* Forfeited Shares (Transferred from Share Capital)

** On Redemption of Preference Shares issued by erstwhile Gangadharan Appliances Limited to The Industrial Finance Corporation of India (IFCI)

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
15 - Long Term - Borrowings

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Term Loan		
(i) Secured		
- Banks	2,208.09	3,287.03
- Others	1,116.96	1,146.21
(ii) Unsecured		
- Other than Banks	1,630.00	1,840.00
Less: Current Maturities of Long term Debts	1,015.04	1,956.54
Total	3,940.01	4,316.70

Terms of Payment:

- i. Term Loans from Banks (including vehicle loans) are repayable over a period of 3 to 6 years;
- ii. Term Loans from Others (including vehicle loans) are repayable over a period of 5 to 15 years.

Security Provided:

- a. Term Loans from Banks are Secured by
 - i. First charge by way of hypothecation of specific Plant and Machinery and Other Fixed Assets/Vehicles acquired out of loans and Equitable Mortgage of certain Land and Building of the Company at Pudupakkam.
 - ii. Personal Guarantee of the Promoter Directors.
- b. Other Term Loans:
 - a. Vehicle Loans are Secured by hypothecation of vehicles purchased out of such loans;
 - b. Other Term Loans are Secured by Equitable Mortgage of Undivided Land and office complex Building at Egattur.

16 - Other Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Security Deposits from Customers	277.66	264.66
Total	277.66	264.66

17 - Short Term Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Demand Loans from Banks (Refer note 17.1 below)	10,433.68	11,193.81
From Bank towards Buyer's Credit (Refer note 17.1 below)	-	3,343.01
Total	10,433.68	14,536.82

17.1 Secured by hypothecation by way of a first charge on Inventories, book debts, present and future and collateral paripassu charge of Land and Buildings, the title of which are in the course of transfer in the Company's name and also by the paripassu second charge on other Fixed Assets of the Company at Pudupakkam along with personal Guarantee of Promoter Directors.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
18 - Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables		
- Dues to Micro and Small Enterprises (Refer note 18.1 below)	49.33	20.41
- Others (Refer note 18.2 below)	9,889.72	5,591.39
Total	9,939.05	5,611.80

18.1 No interest due on these outstandings under MSME Act, 2006, as disclosed in note 37

18.2 Details with respect to Related Parties details are disclosed in note 43

19 - Other Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long Term Debt	1,015.04	1,956.54
Unclaimed Dividends	28.68	34.10
Payable to Employees	482.63	475.77
Total	1,526.35	2,466.41

20 - Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Liabilities	137.62	349.86
Advance from Customers	410.31	476.01
Others	33.33	-
Total	581.26	825.87

21 - Short Term Provision

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits	130.90	66.91
Provision for Warranty	517.33	473.18
Total	648.23	540.09

22 - Current Tax Liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax	348.13	248.80
Less: Advance Tax and Tax Deducted at Source	252.06	70.83
Total	96.07	177.97

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
23 - Revenue From Operations

₹ in Lakhs

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of Products *	64,690.44	54,606.82
Scrap Sales	507.88	324.25
Total	65,198.32	54,931.07

* Including Excise Duty of ₹. Nil (PY ₹ 875.45 Lakhs)

24 - Other Income

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Change in fair value of Financial Assets	3.05	1.26
Interest income from Financial Assets measured at Amortised cost	79.80	80.34
Other Non-Operating Income	122.08	78.92
Total	204.93	160.52

25 - Cost of Materials Consumed

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Stock		
Raw Materials and Components	5,158.81	4,509.93
Consumables	127.48	131.03
Add: Cost of		
Raw Materials and Components	28,694.87	21,077.65
Processing Charges	1,156.07	829.65
Consumables	901.37	515.70
Freight Inward	174.36	97.89
Less: Closing Stock		
Raw Materials and Components	4,370.63	5,158.81
Consumables	178.78	127.48
Total	31,663.55	21,875.56

26 - Changes in Inventories of Finished Goods, Work-in-Progress and Stock in trade

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Balance		
Work in Progress	768.26	1,846.84
Finished Goods / Stock in Trade	6,458.82	4,389.15
Less Closing Balance		
Work in Progress	1,267.79	768.26
Finished Goods / Stock in Trade	8,381.64	6,458.82
Total	(2,422.35)	(991.09)

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
27 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, Wages, Bonus etc. (including payment to contractors)	5,967.73	4,661.76
Contribution to Provident and Other Funds	428.39	528.23
Staff Welfare Expenses	618.53	543.07
Total	7,014.65	5,733.06

28 - Finance Cost

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest cost on Financial Liabilities measured at Amortized cost	1,979.10	1,589.32
Unwinding of the Discount on Financial Assets	7.69	65.46
Others	258.33	154.02
Total	2,245.12	1,808.80

29 - Depreciation and Amortisation

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation / Amortisation for the year		
- Tangible Assets	964.11	892.73
- Intangible Assets	325.16	345.05
Total	1,289.27	1,237.78

30 - Other Expenses

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Power and Fuel	748.19	555.21
Rent	414.46	371.37
Repairs and Maintenance		
- Buildings	4.47	0.32
- Machinery	56.73	52.53
- Others	358.49	326.13
Freight Outward (including warehousing charges)	3,155.05	2,148.66
Insurance	42.20	36.24
Rates and Taxes	176.31	174.55
Travel and Conveyance	1,124.06	1,084.42
Communication	61.27	78.23
Payment made to Auditors (Refer note 30.1 below)	19.55	16.91
Professional and Consultancy Charges	280.99	380.71
Advertisement, Publicity and Sales Promotion Expenses	5,420.79	5,354.86
Cash Discount	177.43	213.95

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sales Commission	1,306.81	1,112.21
Service Centre Expenses	398.38	339.95
Director's Sitting Fees	17.70	15.43
Exchange Loss (Net) / Forward Contract Premium	56.25	1.16
Provision for Doubtful Debts	39.45	264.33
Miscellaneous Expenses	754.66	799.64
Total	14,613.24	13,326.81

Note 30.1 Payment made to Auditors

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i. Statutory Audit Fees	15.00	13.25
ii. Other Services	1.05	0.76
iii. Out of Pocket Expenses	1.75	1.15
iv. Cost Audit Fees	1.75	1.75
Total	19.55	16.91

31. 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'

32. Significant Accounting Policies**32.1 Basis of Preparation of Financial Statements****32.1.1 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, 2019 have been prepared in accordance with Ind AS's notified under Section 133 of the Companies Act, 2013 ('the Act') and Companies (Indian Accounting Standards) Rules, 2015 and other relevant provision of the Act.

32.1.2 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.

32.1.3 Standards issued but not yet effective**Ind AS 116, Leases:**

Government of India, Ministry of Corporate Affairs vide their notification GSR 273(E) dated March 30, 2019 has notified new Indian Accounting Standard (Ind AS) 116, Leases which is effective from 01.04.2019. This new Ind AS 116 replaces existing Ind AS 17 Leases. As per the new Ind AS 116, all long term operating lease transactions (lease term more than one year) shall be recorded in the books of account as "right-of-use assets" at cost as defined under this Ind AS. Company do not foresee any material impact in the next year on its financial statement on implementation of new Ind AS 116 effective from 01.04.2019.

Amendments to Existing Ind AS (Vide Notification GSR 903(E) dated September 20, 2018:

Amendments were made in the Indian Accounting Standard (Ind AS) 20, Accounting for Government Grants and disclosure of government assistance and consequential amendments were also made in Ind AS 12, Income Taxes, Ind AS 16, Property, Plant and Equipment , Ind AS 38 Intangible Assets. These amendments did not have any impact on the financial statement of the Company for the year ended March 31, 2019

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
32.1.4 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. 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.

32.1.5 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 Currency of the Company.

32.2 Revenue recognition
32.2.1 Revenue from Sale of goods:

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.

32.2.2 Interest Income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

32.3 Property Plant and Equipment
32.3.1 Tangible Assets

All property plant and equipment are stated at historical cost of acquisition less accumulated depreciation and amortization 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.

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.

32.3.2 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.

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	10 years
Usage Right of Trade Mark/Trade Mark and Licence	20 – 25 years.

32.3.3 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

32.4 Depreciation

The depreciable amount of an item of Property, Plant and Equipment (PPE) is allocated on a straight-line basis over its useful life as prescribed in the manner specified in Schedule II of the Act.

Description	Useful Life in Years
Buildings	5 to 30
Plant and Machinery	15
Dies, Tools and Equipment	8
Electrical Equipment	10
Office Equipment	5
Furniture and Fittings	10
Vehicles	8 to 10
Computer and Information System	3 to 6

If part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately.

Depreciation is charged on pro-rata basis from the date of addition / 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.

32.5 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.

32.6 Foreign Currency Translation

32.6.1 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 - ₹.)

32.6.2 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.

32.7 Inventories

32.7.1 Inventories are stated at the lower of cost (computed on moving weighted average basis) and net realizable value

32.7.2 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.

32.8 Employee Benefits

32.8.1 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 statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

32.8.2 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.

32.8.3 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.

32.9 Taxes on Income

Income tax expense represents the sum of the current tax and deferred tax.

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.

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 assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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.

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.

32.10 Provisions and Contingent Liabilities
32.10.1 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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

32.10.2 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.

32.11 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are charged to profit or loss in the year in which the rent is actually incurred as the payments made to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

32.12 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.

32.13 Financial Assets

32.13.1 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

32.13.2 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.

32.13.3 Subsequent Measurement

Investments

Investments are subsequently measured at Fair value through Profit and loss. Income from these financial assets is included in other income.

32.13.4 Other Financial Assets

After Initial Measurement, financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR method). Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss

32.13.5 Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and Fair Value of Other Comprehensive Income (FVOCI). The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 35.2 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

32.13.6 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.

32.14 Financial Liabilities

32.14.1 Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
32.14.2 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.

32.14.3 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.

32.14.4 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.

32.14.5 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.

32.15 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.

32.16 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.

32.17 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 profit or loss.

32.18 Segment Information

The Company has identified "Domestic Appliances" as a only reportable segment.

32.19 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.

32.20 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 by operating, investing and financing activities

32.21 Critical Estimates and Judgements

The preparation of financial statements in conformity with the generally accepted accounting principles requires

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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.

33. Other Financial Information
33.1 Contingent Liabilities:

33.1.1 Demands raised on the Company by the respective authorities are as under:

(₹ in Lakhs)

Nature of Statute	As at March 31, 2019	As at March 31, 2018
Central Excise (of which ₹ 31.83 lakhs (PY ₹ 16.36 lakhs) have been paid under protest)	2,112.29	2087.23
VAT / Sales Tax (of which ₹ 22.59 lakhs (PY ₹ 25.42 lakhs) have been paid under protest)	216.62	186.24
Employee State Insurance and Labour matter (of which ₹ 26.88 lakhs (PY ₹ 26.88 lakhs) have been paid under protest)	76.91	82.69
Total	2,405.82	2,356.16

33.2 Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Commitments (net of advance)	47.78	39.13

34. Disclosures in respect of Ind AS 107 - Financial Instruments
Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(₹ in Lakhs as of March 31, 2019)

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	-	23.31	-
Other Non- Current Financial Assets	107.60	-	-
Current Trade Receivables	11,705.82	-	-
Cash & Cash Equivalents	327.68	-	-
Other Bank Balances	655.34	-	-
Other Financial Assets	445.67	-	-
Liabilities:			
Long term Borrowings	3,940.01	-	-
Other Non- Current Financial Liabilities	277.66	-	-
Short Term Borrowings	10,433.68	-	-
Trade Payables	9,939.05	-	-
Other Current Financial Liabilities	1,526.35	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs as of March 31, 2018)

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	-	11.34	-
Non Current Trade Receivable	-	-	-
Other Non- Current Financial Assets	246.32	-	-
Current Trade Receivables	13,055.76	-	-
Cash & Cash Equivalents	1,630.42	-	-
Other Bank Balances	639.05	-	-
Other Financial Assets	300.34	-	-
Liabilities:			
Long term Borrowings	4,316.70	-	-
Other Non- Current Financial Liabilities	264.66	-	-
Short Term Borrowings	14,536.82	-	-
Trade Payables	5,611.80	-	-
Other Current Financial Liabilities	2,466.41	-	-

34.2 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).

34.3 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

Use of quoted market prices for Listed instruments

34.4 The following tables present fair value hierarchy of Assets and Liabilities measured at fair value:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019				For the year ended March 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Mutual Funds	23.31	-	-	23.31	11.34	-	-	11.34
Bullion on Hand	15.87	-	-	15.87	10.73	-	-	10.73

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
35. 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.

35.1 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.

35.1.1 Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and 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 61% 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	13.91	51.70	8.39	5.51
GBP	-	-	0.33	0.28

(₹ in Lakhs)

USD sensitivity at year end	As at March 31, 2019	As at March 31, 2018
Receivables:		
Weakening of INR by 5%	29.00	17.91
Strengthening of INR by 5%	(29.00)	(17.91)
Payables:		
Weakening of INR by 5%	(48.10)	(168.13)
Strengthening of INR by 5%	48.10	168.13

(₹ in Lakhs)

GBP sensitivity at year end	As at March 31, 2019	As at March 31, 2018
Receivables:		
Weakening of INR by 5%	1.50	1.28
Strengthening of INR by 5%	(1.50)	(1.28)

Amount in bracket represents additional cash outflow. Other amounts represents additional cash inflow.

35.1.2 Interest Rate Risk

Company is exposed to short term and long term borrowings. Long term borrowing's interest rates are fixed and not subject to any interest rate risk. Short term borrowings being working capital loans are subject to interest rate fluctuation based on the performance and external credit rating of the Company

At the reporting date the interest rate profile of the Company's interest – bearing financial instruments as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Rate Instruments		
Financial Asset		
- Margin Money with Bank	626.66	604.95
Financial Liabilities		
- Term Loan from Bank / Others	4,955.05	6,273.24
Variable Rate Instruments		
- Short Term Borrowings	10,433.68	14,536.82

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, 2019	As at March 31, 2018
Interest Expenses arising on account of variable rate of interest on short term borrowings	1,196.66	750.04
Impact on Interest Cost:		
Increase in 100 basis point (Increase in Interest Cost)	(126.32)	(83.02)
Decrease in 100 basis points (Decrease in Interest Cost)	126.32	83.02

35.2 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 ₹ 11,705.82 lakhs and ₹ 13,055.76 lakhs as of March 31,

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

2019 and March 31, 2018, 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. The Company is not exposed to concentration of credit risk to any one single 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	0.00%	0.21%	43.05%

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, 2019		As at March 31, 2018	
	Gross	Impairment	Gross	Impairment
Within the credit period	4,890.69	-	4,760.72	-
0 to 180 days	6,029.17	14.14	6,109.31	10.95
More than 180 days	714.53	306.16	996.99	269.90

(₹ in Lakhs)

Movement in Provision for Doubtful Debts	Amount
As at April 01, 2018	280.85
Add: Provided for the year	39.45
Less: Utilisation for the year	-
As at March 31, 2019	320.30

35.3 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 assess long term liquidity requirements on a periodical basis and manage them through internal accruals and bank borrowings.

The table below provides details regarding the contractual cash outflow for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay.

(₹ in Lakhs as of March 31, 2019)

Particulars	On demand and Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Loan from Banks	506.07	508.97	2004.39	648.54	1287.08	4,955.05
Short Term Borrowings	10,433.68	-	-	-	-	10,433.68
Security Deposits	-	-	-	-	277.66	277.66
Trade Payables	9,939.05	-	-	-	-	9,939.05
Other Financial Liabilities	511.31	-	-	-	-	511.31

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs as of March 31, 2018)

Particulars	On demand and Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Loan from Banks	1,060.38	896.16	1,724.24	1,059.06	1,533.39	6,273.23
Short Term Borrowings	14,536.82	-	-	-	-	14,536.82
Security Deposits	-	-	-	-	264.66	264.66
Trade Payables	5,611.80	-	-	-	-	5,611.80
Other Financial Liabilities	509.87	-	-	-	-	509.87

36. 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 total capital as on March 31, 2019 is ₹ 18,942 Lakhs. (Previous Year: ₹ 18,021 Lakhs).

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Debt	15,388.73	20,810.06
Total Equity	18,941.54	18,021.23
Debt to equity ratio	0.81	1.16

37. Disclosures Required Under the "Micro, Small and Medium Enterprises Development Act, 2006"

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Principal amount due to Suppliers under the Act	49.33	20.41
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, Small and Medium Enterprises' on the basis of information available with the Company on which the Auditors have relied upon.

38. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

38.1 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:

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
Movement in Defined Benefit Obligation:

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Defined Benefit Obligation - Beginning of the year	622.85	552.77
Current Service Cost	86.64	76.86
Interest Cost	46.28	38.08
Past Service Cost	--	51.73
Benefits Paid	(45.15)	(62.14)
Re-measurements - Actuarial Loss / (Gain)	54.88	(34.44)
Defined Benefit Obligation - End of the year	765.50	622.85

Movement in Plan Asset:

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Fair value of Plan Assets at Beginning of year	555.94	536.83
Employer Contributions	81.45	41.48
Benefits Paid	(45.15)	(62.14)
Re-measurements - Return on Plan Assets	44.26	38.43
Re-measurements - Actuarial (Loss) / Gain	(1.91)	1.35
Fair value of Plan Assets at end of year	634.59	555.94

Amount Recognized in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Current Service Cost	86.64	76.86
Curtailment Cost/(Credit)	-	-
Net Interest on Net Defined Benefit Liability / (Assets)	2.02	(0.35)
Past Service Cost	-	51.73
Cost Recognized in Profit and Loss	88.66	128.23

Amount recognized in Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Actuarial (Gain) / Loss due to assumption changes	54.88	(34.44)
Difference between Actual Return and Interest Income on Plan Assets- (Gain) / Loss	1.91	(1.35)
Actuarial (Gain) / Loss recognized in OCI	56.79	(35.79)

Sensitivity Analysis

Assumption	Change in Assumption	As at March 31, 2019	As at March 31, 2018
Discount Rate	+0.50%	(35.77)	(29.27)
	-0.50%	38.91	31.86
Salary Growth Rate	+0.50%	36.55	29.91
	-0.50%	(33.87)	(27.93)

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
Actuarial Assumption

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.62%	7.71%
Rate of Salary Increase	7.00%	7.00%
Attrition Rate	3.50%	3.50%
Retirement Age	60 Years	60 Years
Average Future Service	14.8 Years	15.1 Years

Expected Benefit Payments

(₹ in Lakhs)

S.No.	Year of payment	As at March 31, 2019	As at March 31, 2018
1	Year 1	32.47	82.05
2	Year 2	156.43	60.12
3	Year 3	51.01	30.85
4	Year 4	37.86	46.16
5	Year 5	65.93	33.10
6	Next 5 Years	253.97	215.50

Category of Investment in Plan Assets

Category of Investment	% of fair value of plan assets
Insurance Policies	100%

39. Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

Since the Company primarily operates in one segment – Domestic appliances and there is no reportable Geographical segment either.

The Company has not derived revenues from any customer which amount to 10 per cent or more of Company's revenues.

40. 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, 2019	For the year ended March 31, 2018
Profit for the year, attributable to the owners of the Company	₹. 920.31 Lakhs	₹. 504.92 Lakhs
Earnings used in calculation of basic earnings per share(A)	₹. 920.31 Lakhs	₹. 504.92 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)	₹. 5.15	₹. 2.82

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
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, 2019	For the year ended March 31, 2018
Profit for the year, attributable to the owners of the Company	₹.920.31 Lakhs	₹. 504.92 Lakhs
Earnings used in calculation of basic earnings per share(A)	₹.920.31 Lakhs	₹. 504.92 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)	₹. 5.15	₹. 2.82

41. 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:

(₹ in Lakhs)

Particulars	Balance as at April 01, 2018	Additions during the year	Utilization during the year	Reversal during the year	Balance as at March 31, 2019
Provision for Warranty	473.18	490.84	446.69	-	517.33

42. Disclosures in respect of Ind As 7 - Statement of Cash Flows
Reconciliation of liabilities from financing activities:-
(i) Long Term Borrowings (Including Current maturities)
Non Cash Movement

(₹ in Lakhs)

Particulars	As at April 01, 2018	Proceeds	Repayments	Fair Value changes	As at March 31, 2019
Term Loan from Bank	3,287.03	898.64	(1978.65)	1.06	2208.09
Term Loan from Others	2,986.21	43.01	(282.25)	-	2746.96
Total	6,273.24	941.65	(2,260.90)	1.06	4955.05

(ii) Short Term Borrowings

(₹ in Lakhs)

Particulars	As at April 01, 2018	Cash Flow	Foreign exchange Movement	As at March 31, 2019
Working capital facilities	11,193.81	(760.13)	-	10,433.68
Other short term Borrowings	3,343.01	(3,343.01)	-	-
Total	14,536.82	(4,103.14)	-	10,433.68

43. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"
Key Managerial Personnel

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
 Mr.Prakash Iyer – Chief Executive Officer (CEO) – till 31.08.2018
 Mr.K.S. Ramakrishnan – Company Secretary & General Manager (Legal) (CS)
 Mr. R. Nagarajan – Chief Financial Officer (CFO)

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
Relatives of Key Managerial Personnel:

Mr. V.M.L.Karthikeyan
 Mr. G.Viswanathan
 Mr. V.M.L.Senthilnathan
 Mr. V.M.L.Ganesan
 Mr. V.M.G.Mayuresan

Compensation to Key Managerial Persons (KMP)
43.1 Managerial Remuneration:
i. Directors :- (₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits (Remuneration)	260.10	208.08
Post-employment benefits (PF)	26.01	20.81
Total	286.11	228.89

Particulars	As at March 31, 2019	As at March 31, 2018
Payable	54.33	16.45

ii. Others (CEO, CFO & CS) :- (₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration and Short-term Benefits	128.66	235.17
Post-employment benefits (PF & Gratuity)	6.42	13.65
Total	135.08	248.82

Particulars	As at March 31, 2019	As at March 31, 2018
Payable	2.68	11.07

Note: CEO salary considered till Aug 18 due to his resignation.

43.2 Related Parties:
Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

LLM Appliances Private Limited
 V.M.Chettiar & Sons India LLP
 Butterfly Quality Centre Private Limited
 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
 Wintronix (HK) Holdings Limited

Transactions during the year and outstanding balances
a) Enterprises owned or significantly influenced by Key Management Personnel or their Relatives:

(₹ in Lakhs)

Sl. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Purchase of Goods	1,215.80	1,092.61
2	Services Received	2,402.12	1,819.85
	- Warehousing	579.36	422.99
	- Freight	1,822.76	1,396.86
3	Sales and Services	114.88	72.72
	Total	3,732.80	2,985.18

b) Outstanding balances: (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Receivable	-	7.49
Payable	73.92	16.16

c) Remuneration & Perquisites to Relatives of KMP (₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration and Short-term benefits	144.00	144.00
Post-employment benefits	20.17	14.40
Total	164.17	158.40

d) Outstanding balances: (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Payable	16.05	16.05

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
44. Details of CSR Expenditure

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a. Gross amount required to be spent during the Year	-	-

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	In Cash	Yet to be Paid in Cash	In Cash	Yet to be Paid in Cash
b. Amount spent during the year				
i. Construction/acquisition of any asset	-	-	-	-
ii. On purposes other than (i) above	-	-	-	-

During the year company spent ₹ 8.18 Lakhs towards CSR obligations of an earlier financial year.

45. 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 24th May 2019.

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

S.SUNDAR RAJAN
 Partner
 Membership No. 211414

V.M.LAKSHMINARAYANAN
 Chairman & Managing Director

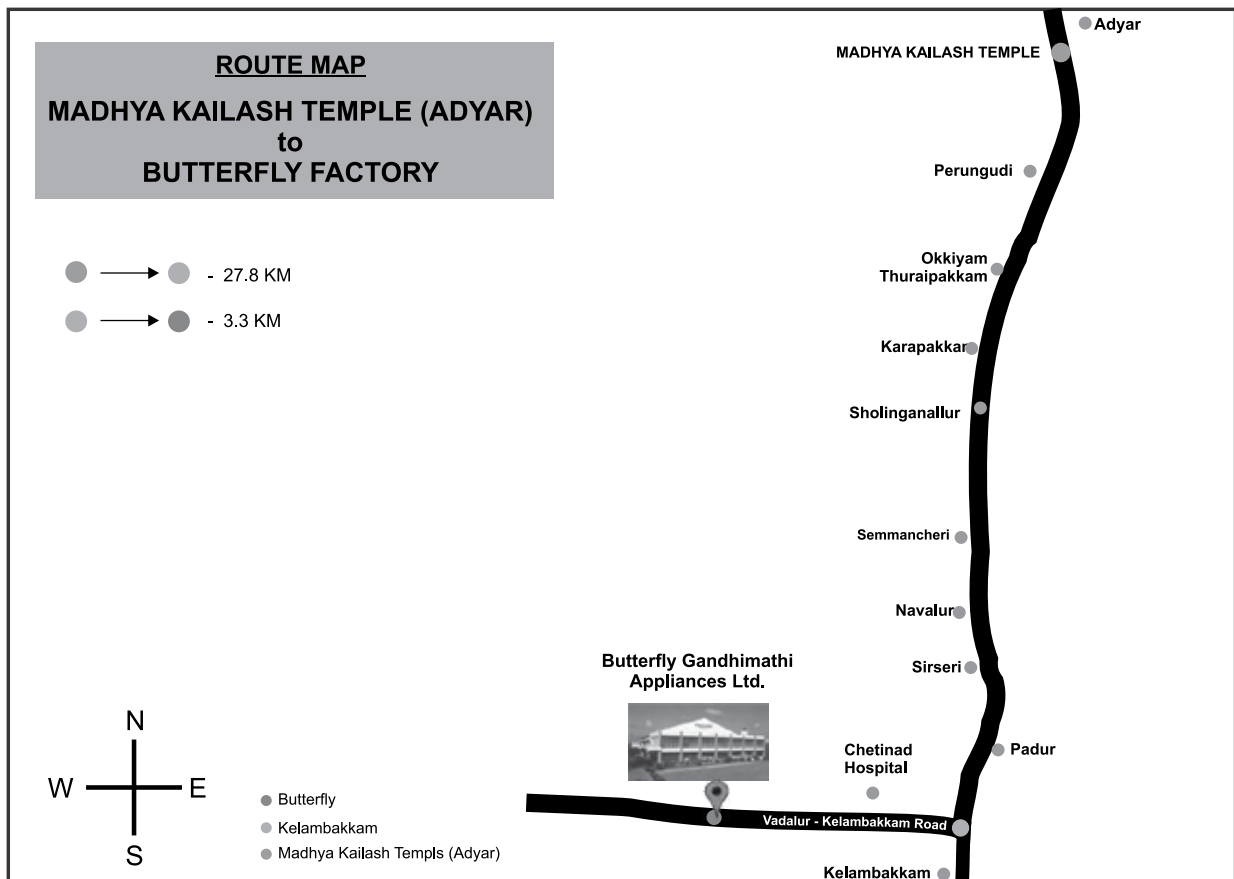
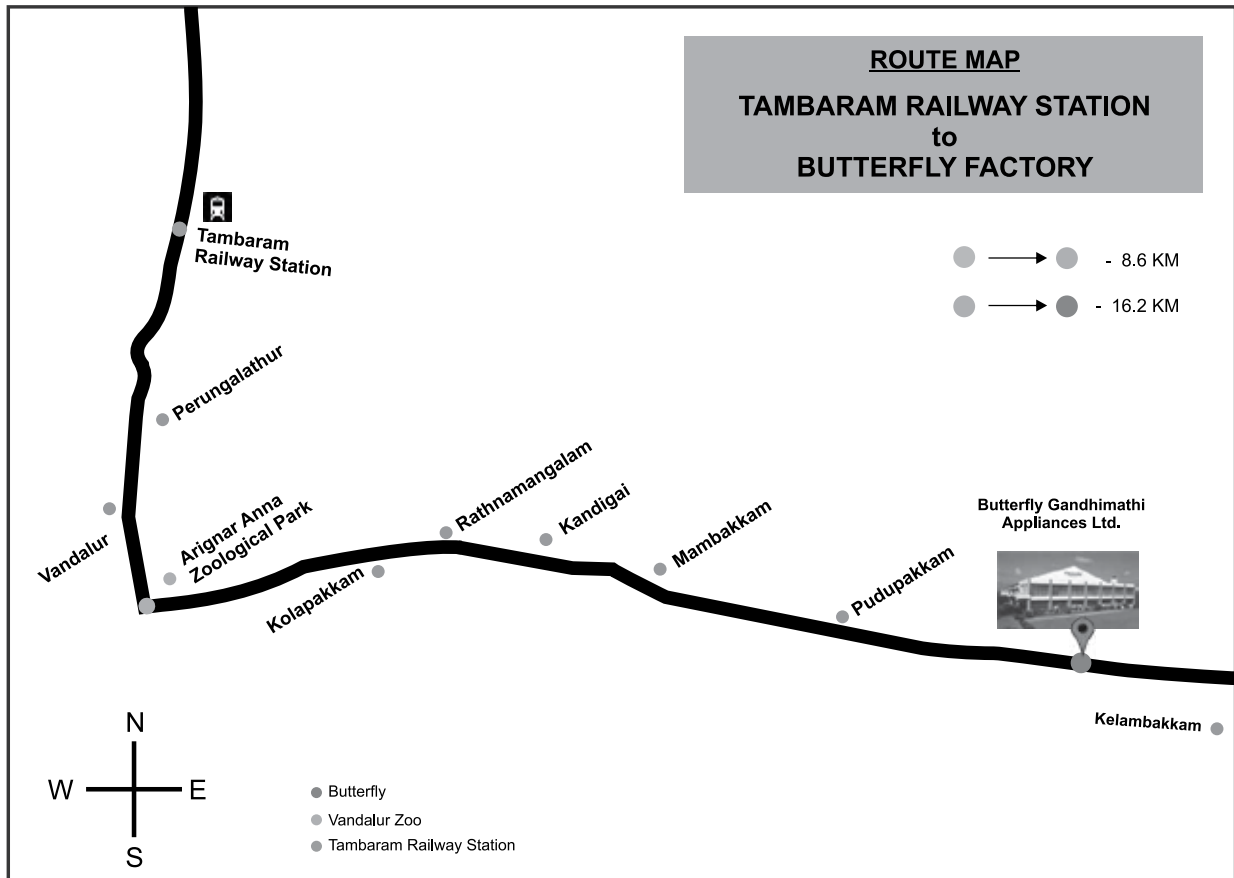
V.M.SESHADRI
 Managing Director

A.BALASUBRAMANIAN
 Director

K.S.RAMAKRISHNAN
 Company Secretary & GM (Legal)

Place: Chennai
Date : 24.05.2019

R.NAGARAJAN
 Chief Financial Officer



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

CIN No.L28931TN1986PLC012728

**Regd.Office:143, Pudupakkam Village, Vandalur-Kelambakkam Road,
Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER A THE ENTRANCE OF THE MEETING HALL

*DP ID

Folio No.

*Client ID

No. of shares

NAME AND ADDRESS OF THE SHAREHOLDER:

I hereby record my presence at the Thirty Second Annual General Meeting of the Company to be held on Wednesday, 7th August 2019 at 11.00 a.m. at its Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu.

*Applicable for investors holding shares in electronic form

Signature of the shareholder/proxy

PROXY FORM

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules 2014]**

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

CIN No.L28931TN1986PLC012728

**Regd.Office:143, Pudupakkam Village, Vandalur-Kelambakkam Road,
Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu**

Name of the Member(s)	Registered Address	Email ID : Folio No: *Client ID: *DP ID:	
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I/We, being the member(s) of shares of Butterfly Gandhimathi Appliances Ltd, hereby appoint:

Name:	or failing him	or failing him
	Name	Name
Address	Address	Address
Email ID:	Email ID:	Email ID:
Signature:	Signature:	Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Wednesday, 7th August 2019 at 11.00 a.m. at its Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu and at any adjournment thereof in respect of such resolutions, as are indicated below:

*Applicable for investor holding shares in electronic form

** I wish my above Proxy to vote in the manner as indicated in the box below.



S.No.	Resolutions	Type of Resolution	For Y/N	Against Y/N
A	ORDINARY BUSINESS			
1.	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.	Ordinary		
2.	Re-appointment of Mr.V.M.Kumaresan (DIN 00835948), who retiring by rotation	Ordinary		
B	SPECIAL BUSINESS			
3.	Approval of Remuneration of Cost Auditors	Ordinary		
4.	Approval pursuant to Section 180(1)(a) of the Companies Act 2013 for mortgaging and/or charging of the movable/immovable properties	Special		
5.	Approval pursuant to Section 181 of the Companies Act 2013 to contribute to bonafide Charitable and other funds	Special		

Signed on this day of 2019

Affix Re.1/-
Revenue
Stamp

.....

.....

Signature of Shareholder

Signature of Proxyholder(s)

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company or at the office of its Registrar and Share Transfer Agents at GNSA Infotech Ltd, STA Department, Nelson Chambers, 115, Nelson Manickam Road, Aminjikarai, Chennai – 600 029, not less than 48 hours before the commencement of the meeting.

LPG STOVES



SIGNATURE



MATCHLESS



DUO



TRIO



FRIENDLY



IGNITE

TABLE TOP WET GRINDERS



MATCHLESS PLUS



PEERLESS



RHINO PLUS

MIXER GRINDERS



RUBY



OPAL



DESIRE



MATCHLESS



SPECTRA



CYCLONE

PRESSURE COOKERS



STANDARD PLUS



BLUELINE



ELEGANT PLUS

FLASKS & WATER BOTTLES



SS VACUUM FLASKS



SS WATER BOTTLES


समर्थन जगत्

केंद्रीय अप्रत्यक्ष कर एवं सीमा शुल्क बोर्ड
CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS
वित्त मंत्रालय
MINISTRY OF FINANCE
भारत सरकार
GOVERNMENT OF INDIA

प्राधिकृत आर्थिक संचालक- टी 2 प्रमाण-पत्र
AUTHORIZED ECONOMIC OPERATOR-T2 CERTIFICATE
(आयातक और निर्यातक) IMPORTER & EXPORTER)

प्रमाण-पत्र संख्या Certificate Number: **INAAACG2038F2F199**

कम्पनी का नाम: **M/s BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**
Name of Company: **143, VANDULAR KELAMBAKKAM ROAD,
PUDUPAKKAM VILLAGE, KANCHIPURAM,
TAMILNADU - 603103**


भारतीय सीमा शुल्क
INDIAN CUSTOMS

अन्तर्राष्ट्रीय आपूर्ति श्रृंखला को सुरक्षित रखने हेतु आपकी प्रतिबद्धता का सम्मान करते हुए एवं डब्ल्यू.सी.ओ. के सॉफ फ्रेमवर्क ऑफ स्टैंडर्ड के अनुसरण में सी.बी.आई.सी. के परिपत्र संख्या 33/2016-सीमा शुल्क, दिनांक 22.07.2016 के अन्तर्गत भारतीय सीमा शुल्क अपने प्राधिकृत आर्थिक संचालक (ए.ई.ओ.) कार्यक्रम में आपके प्रतिष्ठित संगठन को प्रमाणित करता है।
यह प्रमाण-पत्र **26.03.2022** तक वैध है।

In recognition and appreciation of your commitment to secure the international supply chain and in compliance with the WCO's SAFE Framework of Standards, Indian Customs certifies your esteemed organization in its Authorised Economic Operator (AEO) programme under CBIC Circular Number 33/2016-Customs, dated 22.07.2016.
This certificate is valid upto **26.03.2022**.


(संजय बंसल/Sanjay Bansal)
ए. ई. ओ. कार्यक्रम प्रबंधक/ आयुक्त
AEO Programme Manager/ Commissioner
अन्तरराष्ट्रीय सीमा शुल्क निदेशालय
Directorate of International Customs

स्थान Place : नई दिल्ली New Delhi
दिनांक Dated: 27.03.2019

If Undelivered, return to:

GNSA Infotech Ltd,

STA Department, Nelson Chambers, F-Block, 4th Floor,
115, Nelson Manickam Road, Aminthakarai, Chennai - 600 029

Tel: 044 - 42962025

Email : sta@gnsaindia.com