



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

July 24, 2020

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

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

Dear Sir,

**Sub: Annual Report under Regulation 34(1) of the
SEBI (LODR) Regulation 2015**

This is with reference to our letter 18th June 2020 wherein the Company had informed that the 33rd Annual General Meeting of the Company will be held on Thursday 20th August 2020 at 11.00 a.m. (IST) via two way Video Conference/OAVM only, in accordance with General Circular issued by Ministry of Corporate Affairs dated 5.5.2020 read with General Circular dated 8.4.2020 and 13.4.2020 and SEBI circular dated 12.5.2020.

Pursuant to the Regulation 34(1) of the Listing Regulation, we are enclosing the Annual Report 2020 of the Company along with the Notice of the AGM and other statutory reports for the financial year 2019-2020. The Annual Report 2020 is also being sent through electronic mode to those members whose email addresses are registered with the Company/Depository Participants/RTA.

The same is also available on the Company's website at <https://www.butterflyindia.com/investor-relations/agm/>.

This is for your information and records.

Thanking you,

Yours faithfully,
For Butterfly Gandhimathi Appliances Limited

K. S. Ramakrishnan
K.S.Ramakrishnan
Company Secretary &
General Manager – Legal

Encl: a/a.

Regd. office: 143, Pudupakkam Village, Vandalur - Kelambakkam Road, Kelambakkam - Pin 603 103,
Kancheepuram, District, Phone: +91-44-47415500

E- mail gmal@butterflyindia.com web : www.butterflyindia.com/butterflygandhimathiappliances.com

Corporate Office: E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur - 600 103. Kancheepuram District.
Phone: 044 - 49005100/5120, E- mail: butterflyho@butterflyindia.com/ butterflyco@butterflyindia.com

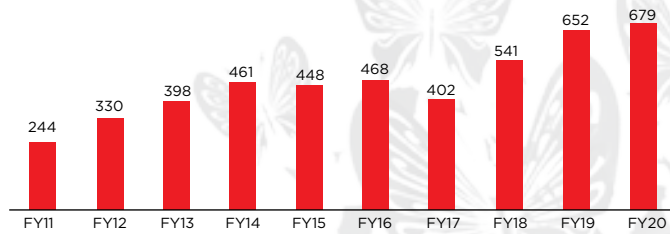
 **Butterfly**[®]

Good for a lifetime

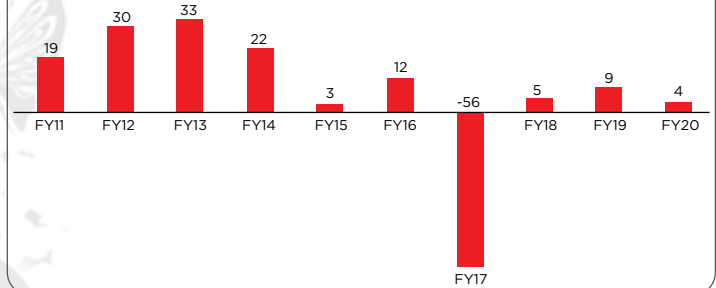


ASCEND OF ACHIEVEMENTS

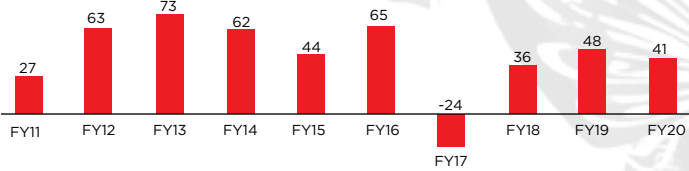
Total Revenue (Rs. Crore)



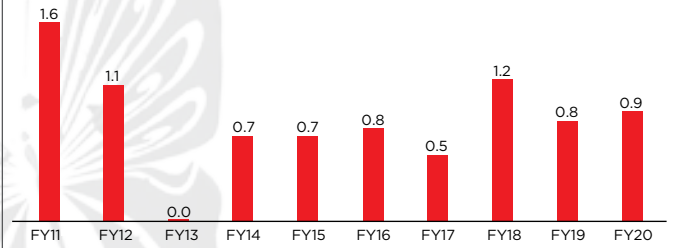
Profit After Tax (Rs. Crore)



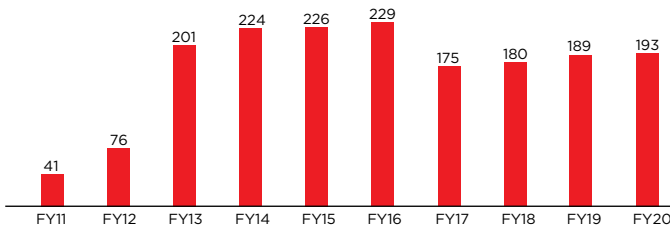
EBITDA (Rs. Crore)



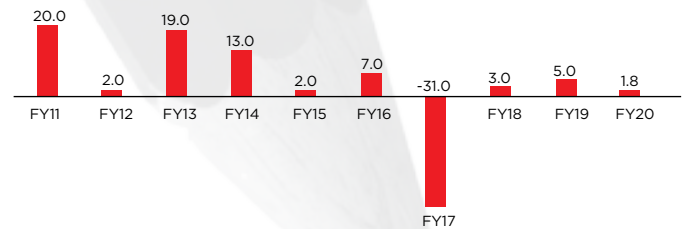
Net Debt - Equity Ratio



Net Worth (Rs. Crore)



Earning Per Share



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

ANNUAL REPORT 2020

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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*

*vacated office due to withdrawal of nomination w.e.f 30.9.2019.

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.
Chengalpet 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

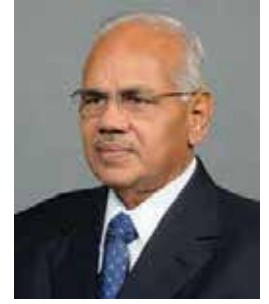
E-34, Second Floor,
Rajiv Gandhi Salai, Egattur Village,
Navalur- 600130,
Chengalpet District, Tamil Nadu
Phone: 044-49005154/180
Email: cs@butterflyindia.com
Website: www.butterflyindia.com

BANKERS

State Bank of India
IDBI Bank,
IndusInd Bank
The South Indian Bank Ltd.

A customer is the most important visitor on our premises. He is not an interruption on our work. He is the purpose of it. He is not an outsider in our business. We are not doing him a favour by servicing him. He is doing us a favour by giving us an opportunity to do so - Mahatma Gandhi.
"WE AT BUTTERFLY SHALL CONTINUE TO CEASELESSLY WORK TOWARDS THIS OBJECTIVE".

Chairman's Message



Mr. V.M.Lakshminarayanan
Chairman & Managing Director

It gives me pleasure to present our Company's Annual Report of 2019-20.

The COVID-19 outbreak from China was declared as a pandemic by World Health Organisation in the last quarter of the financial year 2019-2020, causing a social and economic turbulence.

The macro-economic factors that caused a slowdown in the financial year 2019-2020 will also continue in the financial year 2020-2021. The last quarter of the financial year 2019-20 and first quarter of the financial year 2020-21 was completely dominated by the pandemic and the consequent lockdowns. The country is suffering from COVID-19 which has severely impacted every aspect of our lives and businesses in unprecedented ways. The challenges are unique as COVID-19 induced lockdowns have interrupted the economic activity. So much so, that the GDP growth of the Indian economy is to be around 4.2% for the financial year 2020, and likely to be negative in the financial year 2021. The recent economic stimulus announced by the government of India does have some short term measures to cushion the economy.

Financial year 2019-2020 is under review. In spite of extreme economic challenges of the world and a situation aggravated almost beyond measure by the unprecedented COVID-19 pandemic, our Company's overall performance has improved. With continuous focus, strategy and effective implementation of a turnaround plan, our Company's growth has been on the right track especially in modern trade, e-commerce, innovative products and product mix. The net income

of the Company during the year ended 31st March, 2020 was ₹678.70 crores as against ₹651.98 crores for the year ended 31st March, 2019. The Company made a net profit after tax of ₹3.98 Crores against the net profit of ₹9.57 crores for the previous year ended 31st March, 2019.

The Company has put in plans to improve liquidity, cash flow management, working capital arrangements including collections and receivables from customers. It also has a huge potential in Digital marketing of retail channels and has achieved significant growth in the year 2019-2020. The Company will also focus on minimum alternative plan and strive to strengthen our internal capabilities with safety, producing profitable volumes and pursuing sustainable cost improvements. We will continue to invest in R&D and drive innovations to build value-added products. Hopefully, the Company will atleast meet all the operational challenges especially the ones impacted by COVID-19. New ways will be implemented for new operational models in all areas.

We look ahead towards opportunities and prosperity, I would like to 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 further like to express 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 Third Annual General Meeting of the Members of the Company will be held on Thursday, 20th August, 2020 at 11.00 a.m., (IST) through Video Conferencing / Other Audio Visual Means, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2020 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 2020, 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.Seshadri (DIN 00106506), 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.Seshadri (DIN 00106506), 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(3) 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 2021, be and is hereby ratified.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act 2013 (**“the Act”**) and the Companies (Appointment and Qualification of Directors) Rules 2014 and the applicable provisions of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Maheshwari Mohan (DIN:07156606), who holds office as a Woman Independent Director up to 20.08.2020 and being eligible, be and is hereby reappointed as a Woman Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (five) consecutive years i.e, from 21.08.2020 to 20.08.2025.”

Chennai 600 020

Date : 12.06.2020

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

IMPORTANT NOTES:

1. The Explanatory statement pursuant to Section 102 (1) of the Companies Act 2013, (**“the Act”**) which set out details relating to Special Business at the Annual General Meeting (AGM) is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from **13th August 2020 to 20th August 2020 (both days inclusive)** for annual closing.
3. In view of the continuing COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as ‘MCA Circulars’) permitted the holding of the AGM through Video Conference (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at the common venue. In compliance with the provisions of the Companies Act, 2013 (‘Act’) SEBI (LODR) Regulations 2015 (‘SEBI Listing Regulations’) and MCA Circulars the AGM of the Company is being held through VC / OAVM. National Securities Depositories Limited (NSDL) will be providing facility for voting through remote e-voting for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained hereunder.
4. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting issued by Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
5. Pursuant to the provision of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf

NOTICE TO THE SHAREHOLDERS

and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of the members has been dispensed with. Accordingly the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission of transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Share Transfer Agent M/s GNSA Infotech Private Limited (GNSA) for assistance in this regard. Members may also refer to Frequently Asked Questions (FAQs) on Company's website www.butterflyindia.com.
7. To support the 'green Initiative', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not registered their nomination are requested to register the same by submitting Form SH.13. The said form can be downloaded from the Company's website www.butterflyindia.com/Investor Relation. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to GNSA in case the shares are held in physical form.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or GNSA, the details of such folios together with the shares certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of members of the Company will be entitled to vote at the AGM.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM, i.e August 20, 2020. Members seeking to inspect such documents can send an email to cs@butterflyindia.com.
12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividend has been transferred to IEPF may claim the same by making an online application to IEPF Authority in web Form no. IEPF – 5 available on www.iepf.gov.in.
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. In compliances with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Company's website www.butterflyindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsdl.com.
15. Instructions for e-voting and joining the AGM are as follows.

Procedure for remote e-voting and e-voting during the AGM

 - i. In compliance with the provisions of Section 108 of the Act, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulations 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their

NOTICE TO THE SHAREHOLDERS

vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

- ii. The remote e-voting period commences on **Sunday, 16th August 2020 9.00 a.m. (IST) and ends on Wednesday, 19th August 2020 5.00 p.m. (IST). During this period, members holding shares either in physical form or in dematerialized form, as on Wednesday 12th August 2020 i.e. cut off date**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. Mr. Balu Sridhar failing which Mr. A. Pankaj Mehta, Partners of M/s. A K Jain & Associates, Practicing Company Secretaries have been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date.
- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the notice and holding shares as of the cut-off date, may obtain the login ID and pass word by sending a request at e-voting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
- vii. The details of the process and manner for remote e-voting are explained herein below:
 - A. Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>
 - B. Cast your vote electronically on NSDL e-voting system.

A. Step 1: Log-in to the NSDL e-voting system

 - a. Visit the e-voting website of NSDL. Open web browser by typing the following URL : <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
 - b. Once the homepage of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

- c. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- d. Your User ID details are given below :

Manner of holding shares i.e. demat (NSDL or CDSL) or physical	Your User ID is
a) For Members who hold shares in demat account with NSDL	8-Character DP ID followed by 8-Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12*****, then your User ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16-Digit Beneficiary ID For example, if your Beneficiary ID is 12*****, then your User ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if Folio Number is 001*** and EVEN is 101456, then User ID is 101456001***

- e. Your password details are given below:
 - i. If you are already registered for e-voting, then you can use your existing password to log in and cast your vote.
 - ii. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.
- f. How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the e mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, the last 8 digits of your client ID for your CDSL account or Folio Number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.

NOTICE TO THE SHAREHOLDERS

- (ii) If your email ID is not registered, please follow the steps mentioned below for registration of email ID and obtaining user ID / password for e-voting.
- g. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password :
 1. Click on the "Forgot User Details / Password?" (If you hold shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 2. A "Physical User Reset Password?" (If you hold shares in physical mode) option is available on www.evoting.nsdl.com.
 3. If you are still unable to get the password by the above two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / Folio Number, your PAN, your name and your registered address.
 4. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- h. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- i. Now, you will have to click on the "Login" button.
- j. After you click on the "Login" button, homepage of e-voting will open.

B. Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is 113039
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

16. Instructions for Members for attending AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/member login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid the last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. For the convenience of the Members and proper conduct of AGM, Members can login and join atleast 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM with use of technology, can:
 - Send a request to evoting@nsdl.co.in or use Toll free No.1800-222-990 or
 - Contact Mr.Amit Vishal, Senior Manager, email ID:Amitv@nsdl.co.in; Telephone No.022-24994360, Ms.Pallavi Mhatre, Manager, email ID:pallavid@nsdl.co.in; Telephone No.022-24994545 and Ms.Sarita Mote, Asst.Manager, email ID:evoting@nsdl.co.in; Telephone No.022-24994890.
4. Members are encouraged to join the meeting through Laptops for better experience.
5. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable WiFi or LAN connection to mitigate any kind of aforesaid glitches.

NOTICE TO THE SHAREHOLDERS

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

As the AGM is being conducted through VC/OAVM for the smooth conduct of proceedings of the AGM, Members who would like to express their views/ask question as a speaker at the Meeting may pre-register themselves by sending request from their registered e-mail address mentioning their name DP ID and Client ID/folio number, PAN, email ID and mobile number at cs@butterflyindia.com from Thursday 13th August 2020 (9.00 a.m. IST) to Monday 17th August 2020 (5.00 p.m. IST). **Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.** The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Members are encouraged to submit their questions in advance with regard to financial statements or any other matter to be placed at the 33rd AGM from their registered e-mail address, mentioning their name, DP ID and client ID/folio number and mobile number to reach the Company's email address at cs@butterflyindia.com before 5.00 p.m (IST) on or before 17.8.2020, such questions by the Members shall be suitably replied to by the Company.

18. General Guidelines for Members:

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend AGM through VC/OAVM on its behalf and to vote through remote voting, by email to evoting@akjainassociates.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

19. Process for registration of email id for obtaining Annual Report and user id/password for e-voting and up-dation of bank account mandate for receipt of dividend:

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company sta@gnsaindia.com, providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	<p>Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</p>

20. Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of 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 authorised by him in writing, who shall countersign the same.
2. The result of the electronic voting shall be declared to the stock exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report shall be placed on the Company's website www.butterflyindia.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

NOTICE TO THE SHAREHOLDERS

EXPLANATORY STATEMENT 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 2021.

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.3 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 31.3.2021.

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:

Mrs.Maheshwari Mohan was appointed as Non-Executive Independent Woman Director of the Company with effect from 21.8.2015 and she holds office upto 20.8.2020 ('first term').

Mrs.Maheshwari Mohan, Independent Woman Director fulfil the terms and conditions specified under the Act and Rules made thereunder for her reappointment as an Independent Director. She meets the criteria as prescribed both under Section 149(6) of the Act 2013 and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

Both Nomination and Remuneration Committee of the Directors and the Board were of the opinion, after evaluating her performance, appropriate skill, experience, competency and other attributes, that her continued association would be immense benefit to the Company and it is desirable to continue to avail Mrs.Maheshwari Mohan's services as an Independent Woman Director.

The Board of Directors at its meeting held on 14.5.2020, on the recommendation of the Nomination and Remuneration Committee, subject to approval of members at the ensuing Annual General Meeting, approved the reappointment of Mrs.Maheshwari Mohan as a Woman Independent Director for a second term of five years w.e.f. 21.8.2020.

Copy of the draft letter of reappointment of Mrs.Maheshwari Mohan as a Woman Independent Director and setting out the terms and conditions for the said appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays.

The Board recommends the resolution in relation to reappointment of Mrs.Maheshwari Mohan as a Woman Independent Director for the approval of the Members.

MEMORANDUM OF INTEREST:

Save and except Mrs. Maheshwari Mohan, being appointee, no other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

NOTICE TO THE SHAREHOLDERS

Information on directors recommended for appointment / re-appointment as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 read with Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

Name of the Director	V.M.Seshadri
DIN	00106506
Date of Birth	04.11.1952
Date of Appointment	01.06.2011
Expertise in specific Functional area	Promoter- Entrepreneur and rich experience of over five decades in all key management area of the home appliances industry.
Qualification	Matriculation
List of Outside Directorship held	Nil
Chairman/Member of the Board of Directors of the Company	Member of the Board – Managing Director
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	1251673 (7%)
Relationship between Director, inter-se	Messrs.V.M.Lakshminarayanan, Chairman & Managing Director, V.M.Balasubramaniam, Vice Chairman & Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director – Technical of the Company, being relative of Mr.V.M.Seshadri, Managing Director, who are deemed to be interested in this Resolution.

NOTICE TO THE SHAREHOLDERS

Name of Director	MAHESHWARI MOHAN
Director Identification Number (DIN)	07156606
Date of Birth and Age	30.07.1968 – 52 years
Date of first appointment on the Board	31.03.2015
Qualifications	B.A, LLB, M.A [Psychology], LLM (IPR & CYBER LAW)
Brief resume, experience and Nature of expertise in specific functional areas.	Legal: Civil-Criminal-Corporate & FEMA-IPR & Cyber – Commercial Firms – Trademarks & Copyrights – Consumer – Real Estate – Agreements – MOU’s – Arbitrations – Tribunals – Sales Tax – Insurance – Company Law – Employment – Industrial Disputes – Societies – Trust – Association – Legal Research & Documentation, Non-disclosure Agreements, Non-Circumvention
Remuneration last drawn	NIL
Remuneration sought to be paid.	NIL
Shareholding in the company	NIL
The number of Meetings of the Board attended during the year (2019-20)	8
Other Directorships, Membership/ Chairmanship of Committees of other Boards	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL

Place: Chennai - 600020

Date : 12.06.2020

Registered Office:

 143, Pudupakkam Village,
 Vandalur-Kelambakkam Road,
 Kelambakkam – 603103
 Chengalpet District.

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

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

Your Directors have pleasure in presenting this Thirty Third Annual Report together with the Audited Statement of Accounts for the financial year ended on 31st March 2020.

1. FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March 2020 is summarised below:

(Rs. in lakhs)

Particulars	Financial Year ended on	
	31.03.2020	31.03.2019
Revenue from Operations (Net)	67,869.50	65,198.32
Other Income	145.68	204.93
Operating Expenditure	63,795.23	60,629.58
Operating Profit	4,074.27	4,568.74
Profit before Depreciation and Finance cost	4,219.95	4,773.67
Finance Cost	2,413.41	2,245.12
Depreciation	1,393.74	1,289.27
Profit before Tax	412.80	1,239.28
Income Tax/Deferred Tax	14.90	282.02
Profit after Tax	397.90	957.26
Other Comprehensive Income net of tax	(71.36)	(36.95)
Total Comprehensive Income for the year	326.54	920.31

2. DIVIDEND:

In view of the impact of COVID-19 and considering the liquidity, cash flow position and to conserve resources, the Board of Directors does not recommend Dividend for the financial year under review.

3. REVIEW OF OPERATIONS:

During the year under review, the total revenue amounted to Rs.680.15 crores as against the previous year figure of Rs.654.03 crores, a growth around 4% pre-tax profit for the year stood at Rs.4.13 crores as against the previous year's figure of Rs.12.39 crores. The revenue has grown across all the retail channels. The outbreak of COVID-19 hit the operations of the Company in the 4th quarter ended 31.3.2020, due to which your Company could not achieve planned turnover and profit.

4. DIRECTORS:

During the year, Mr. Anand Mundra Nominee Director (DIN No.03098196) vacated the Directorship due to withdrawal of nomination with effect from 30.9.2019. The Board of Directors places on record their sincere appreciation for the contribution made by Mr. Anand Mundra during the term as Nominee Director of the Company.

Mr.V.M.Seshadri (DIN No.00106506), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment pursuant to the provisions of section 152(6) (c) of the Companies Act, 2013.

The Board seeks the approval of the Members for re-appointment of Mrs. Maheswari Mohan (DIN No.07156606) as an Woman Independent Director for a further term of 5 years, with effect from 20th August 2020.

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 as **Annexure I**

6. CREDIT RATING:

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

Long Term Rating	CRISIL BBB+/Stable (Upgraded from CRISIL BBB / Positive)
Short Term Rating	CRISIL A2 (Upgraded from CRISIL A+3)

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 on 31st March 2020 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

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors had laid down internal financial controls to be followed by the Company that such internal financial controls are adequate and were operating effectively; and
- 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. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

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 in Form AOC-2 has been annexed as **Annexure – II**.

9. 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.

10. INTERNAL FINANCIAL CONTROLS:

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

11. STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS OF THE COMPANY:

The Company has received necessary declaration from each Independent Director under section 149 (7) of the Companies Act 2013 that they meet with the criteria of their independence laid down in Section 149 (6) of the Act and Rules made thereunder and also Regulation 16(1) (b) of the SEBI (LODR) Regulations 2015. Further they have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge the duties with an objective independent judgement and without any external influence.

The terms and conditions of appointment of the Independent Directors are posted on the Company's website www.butterflyindia.com.

12. 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.

13. KEY MANAGERIAL PERSONNEL (KMP):

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

- Mr.V.M.Lakshminarayanan, Chairman & Managing Director
- Mr.V.M.Balasubramaniam, Vice Chairman & Managing Director
- Mr.V.M.Seshadri, Managing Director

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

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

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

15. 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.

16. PERFORMANCE EVALUATION OF DIRECTORS:

The Independent Directors of the Company held a separate meeting on 14.05.2020 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.

17. 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 2020 does not contain any qualification, observations or adverse comments.

ii. Cost Auditor and Cost Audit Report:

The Company is required to maintain cost records as specified by the Central Government as per Section 148(1) of the Act and the rules framed thereunder, and accordingly, the Company has made and maintained such cost accounts and records. In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s.S.Mahadevan & Co., Cost Auditors (FRN.000007), No1, Lakshmi Nivas, K V Colony Third Street, West Mambalam, Chennai 600 033, being eligible, for conducting the Audit and cost records of the Company for the year 2020-21 as Cost Auditors. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

The remuneration payable to Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and in terms of the Act and Rules therein. The Members are therefore requested to ratify the remuneration payable to M/s.S.Mahadevan & Co., as set out in the Notice of the 33rd AGM of the Company.

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 2019-20. The Secretarial Audit Report for the financial year ended 31.3.2020 is annexed to this report as **Annexure III**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Your Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

18. Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of fraud committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

19. DISCLOSURES:

Audit Committee:

The Audit Committee comprises Independent Directors, viz., Messrs.K.Ganesan (Chairman), M.Padmanabhan and A.Balasubramanian (Members) all are 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. More details on the committee are given in the Report on Corporate Governance.

Vigil Mechanism:

The Company has established vigil mechanism for directors and employees to report genuine concerns pursuant to SEBI 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.

During the year under review, your Company had not received any compliant.

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.

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 – IV** 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 – V** 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 VI** 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 of 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. The 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.

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

During the financial year ended 31st March 2020, the Committee met once on 06.07.2019.

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 VII** of the Directors' Report.

BUSINESS RESPONSIBILITY REPORT:

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

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 and Practising Company Secretary certificate on Director's eligibility forms part of this report as **Annexure IX**.

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

The Company is neither inviting nor accepting deposits from public or shareholders and hence there are no deposits outstanding or remaining unpaid as at the end of 31st March 2020.

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

S.No.	Particulars	Remarks
1	No. of complaints filed – FY 2019-2020	NIL
2	No. of complaints disposed off – FY 2019-2020	NIL
3	No. of complaints pending as on 31.3.2020	NIL

Transfer of Investor Education and Protection Fund [IEPF] - Unclaimed dividends for the year ended 31st March 2012:

Your Company has transferred a sum of Rs.11,42,590/- during the financial year 2019-2020 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 2012, 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 2020-2021 to both National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd., with whom the equity shares of the Company have been listed.

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

Others:

There were no material changes, complaints and commitments, affecting the financial position of the Company which have occurred between financial year ended 31.03.2020 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 at all levels 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.

Chennai - 600020

Date – 12.06.2020

For and on behalf of the Board

V.M.LAKSHMINARAYANAN

Chairman & Managing Director

ANNEXURE I

MANAGEMENT DISCUSSION AND ANALYSIS

1. Company Overview

The Company is one of the largest Kitchen Appliances companies in India. The Company sells its products branded as “Butterfly” across the country through distributors, direct dealers, modern trade, online channels, Oil Marketing Channel etc. The Company manufactures LPG Stoves, Mixer Grinders, Table Top Wet Grinders and Stainless Steel and Aluminium Pressure Cookers amongst others. The Company is a leading state-of-the-art manufacturer of Domestic Kitchen and Electrical Appliances in India established in 1986. The Company is ranked amongst the top manufacturers in the domestic kitchen appliances sector.

2. Economic Overview**a. Global Outlook:**

The coronavirus (COVID-19) pandemic is dealing a severe blow to the global economy. Measures needed to protect public health have undercut an already fragile global economy, causing deep recessions in advanced economies and emerging market and developing economies (EMDEs) alike. EMDEs that have weak health systems; those that rely heavily on global trade, tourism, or remittances from abroad; and those that depend on commodity exports will be particularly hard-hit. In the long-term, the pandemic will leave lasting damage in EMDEs through lower investment; erosion of physical and human capital due to closure of businesses and loss of schooling and jobs; and a retreat from global trade and supply linkages. These effects will lower potential output—the output an economy can sustain at full employment and capacity—and labour productivity well into the future. (Source - World Bank).

As a result of the COVID-19 pandemic, the global economy is projected to contract sharply by 3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial. Effective policies are essential to forestall the possibility of worse outcomes, and the necessary measures to reduce contagion and protect lives are an important investment in long-term human and economic health. (Source – IMF – World Economic Outlook 2020).

b. India and growth performance

GDP growth rate is estimated at 5% in 2019-20 as compared to 6.8% in 2018-19 and end up with around 4.5%. It is lowest in nearly 7 years. GDP growth decelerated for the six consecutive quarters. The Indian economy has been experiencing significant slowdown over the past few quarters. The outbreak of COVID 19 has disrupted demand and supply chains across industries, negatively impacting the business of companies and driving the global economy towards a recession and economic growth down below 2.5%. The Government of India has announced a variety of measures to tackle the situation, from food, security and extra funds for healthcare, sector related incentive and tax deadlines extended. The Reserve Bank of India also announced a Regulatory Package to mitigate the burden of debt servicing brought by disruptions on account of COVID-19 pandemic and to ensure to continuity of viable business. With the prolonged country wide lockdown, global economic downturn and associated disruption of demand and supply chains, the economy is likely to face the protracted period of slow down. Governments have imposed stringent lockdown in a bid to contain the spread of the disease. This in turn has forced companies to reconfigure how the current business are supported and delivered. However, it is becoming evident that those who have previously digitized their operations have been more resilient. Particularly, in the medium and long term, it is very likely that business will continue to spend on automation and try to reduce the work force due to social distancing.

Domestic Appliances Industry and Company's prospective:

Indian domestic appliances market continue to show resilience and recorded good growth during the past few years based on the increasing consumer consumption trends and the rise in the per capita income as well as earnings and growing population across various regions of the states. Increased demand is seen for branded products from rural areas. The rural population's better awareness of higher quality and durability, serves as one of the key drivers for the growth of the Indian Domestic appliances market. This is mainly driven by the increasing disposable incomes and the changing lifestyle and food habits, which initiate an inclination toward sophistication of kitchens, seeking to carry out the cooking experience with ease and a sense of comfort, especially for the growing working women population. India

ANNEXURE I

is one of the largest online markets with more than 540 million internet users. With the Digital India initiative taken by the present government, internet penetration is giving newer impetus for the market to venture into this strongly emerging channel of distribution to capture maximum sales, and, in turn, meet the consumer demand effectively.

The Company performed well up to 3rd quarter in the financial year 2019-20. The Company launched new products in non-stick cook ware, new model mixer grinder (premium and economy segment) and stainless steel vacuum flasks as well as water bottle with a new and improved version. Oil Company channel sales of LPG stoves decreased unexpectedly due to sudden stoppage of Prime Minister Ujjwala Yojana Scheme; still, the Company achieved the turnover as per plan up to 3rd quarter ended 31st December 2019. In the month of March 2020, the pandemic had paralysed economies due to prolonged countrywide lockdown. The impact of COVID-19 affected the Company's turnover as well as profitability. The Company lost revenue of Rs. 40 crore in March 2020 which resulted in lower profitability for financial year 2020. The Company has reset the business plan and focused on developing a lean structure to steer through the uncertain business environment. The ERP of the company is fully integrated from raw material sourcing to sales and to debtors monitoring that has helped the Company in uncertain times to recover faster and restart operations with minimal manpower.

3. Opportunities and Threats

The brand "Butterfly" is Company's strength along with bench mark for quality in the Domestic appliances segment and the trust it enjoys amongst its customer base. The Company operates multi product manufacturing units, distribution channel, in-house R & D, sourcing and servicing. Urban markets are major contributors of the total revenues in the Consumer Durable sector in India. The industry flourished by latest innovation with untapped potential market. The consumers now consider appliances as lifestyle products and are open to pay increased prices for products that are ergonomically designed and offer multiple features. Aspirational lifestyle and availability of zero financing options, innovative credit facilities by banks and propelling demand for premium products have been a consistent trend over past few years.

Strong presence of the Company in all segments of Domestic appliances industry including LPG stoves, Mixer Grinders, Cookers and Table Top Wet Grinders, planned new launches

and expanded network dealers will help the Company to consolidate its gain further and grow ahead of the Industry in the coming years.

The industry is highly fragmented in the hands of several organized and unorganized players. The Kitchen Appliances Industry in India is rising significantly due to the attractiveness of the opportunity, irrational discounting and large potential competition. 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 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.

4. Financial Performance:

The summary of operating results is already covered in Board's Report. Revenue from online channels growth is phenomenal during the year. Online channel is now approximately 20% of the revenue of the Company. The Company grew by 13 % in the first 9 months of the financial year. However, due to lockdown in March the overall revenue growth is only 4% in financial year 2020 as compared to financial year 2019. The raw material prices were stable throughout the year. Man power costs increased due to the general hike in salaries granted to retain talent in a competitive environment as well as dearness allowance in line with cost of living index. The operating margin has drastically decreased due to impact of CoVID-19 unexpected lockdown. The depreciation and amortisation was at Rs.1393.74 lakhs against Rs.1289.27 lakhs in the previous year 2019. The Profit before Tax of the Company was Rs. 412.80 lakhs as on 31st March 2020 as against Rs. 1239.28 in the previous year 2019.

5. Sales Performance:

Total net sales stood at Rs.678.70 crores for financial year 2019-2020 as compared to Rs.651.98 crores in the financial year 2018-2019.

Net Sales is as under:

(Rs. in crores)

Product	FY 2019-20	FY 2018-19
Kitchen Appliances	517.80	514.30
Cooker/Cookware	123.40	104.40
Others	37.40	33.28

ANNEXURE I

Key Financial Ratios

Particulars	2019-20	2018-19	Change in %
Debtors Turnover Ratio	5.80	5.27	10.16%
Inventory Turnover Ratio	3.99	4.59	-13.05%
Interest Coverage Ratio	1.75	2.13	-17.76%
Current Ratio	1.19	1.24	-4.13%
Debt Equity Ratio(%)	0.90	0.81	10.69%
Operating Profit Margin (%)	6.00	7.01	-14.33%
Net profit Margin((%)	0.48	1.41	-65.91%
Return on net worth	1.69	4.86	-65.12%

Note : During the year, due to COVID-19, there is an impact in Q4 Turnover and profitability. Due to that impact, Net profit Margin and Return on Net worth came down comparing with previous year.

6. Outlook

The global economy is affected due to novel coronavirus pandemic which has forced businesses across the world to suspend operations leading to periodical interruption. There will be a revenue loss in financial year 2020-2021 because of very weak Q1 due to lockdown. However we expect improvements with opportunity from later half of the current financial year. The Company has resumed operations and is targeting maximum capacity utilization from July 2020 onwards. The Company has taken steps to reduce fixed costs to achieve breakeven in profitability in financial year 2020-2021.

7. Risk and Concerns

Risk management is an integral function of the overall management and is embedded across all of the business processes undertaken by the Company. 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 policy and 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. The fully integrated Enterprise Resource Planning (ERP) along with Microsoft Power BI software helps the senior management to monitor every aspect of the business closely. The Company always adheres to prescribed guidelines and follows all Accounting Standards prescribed for maintenance of books of account and reporting of financial statements. The appointed independent internal auditors monitor and report on the effectiveness of the internal control systems of the various areas 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 2018-2019, Rs. 14.45 crores capital expenditure was incurred towards enhancing our manufacturing capacity. For FY 2019-2020, a capital expenditure of Rs.15.90 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. Debt increased as the Company opted for Long-term Borrowings in order to meet its business requirements and also to improve the current ratio. 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

ANNEXURE I

in Accounting Standards. The Company have adopted the Indian Accounting Standards 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. Continuous commitment to upgrading skills is an integral part of the human resource development policy of the Company. 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.

The Company lays great emphasis on retention of its human talents. The Company invests in human resource 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 on March 31, 2020, the total workforce of the Company stood at 1353 employees.

Employees' welfare is a paramount consideration of the Company. Due to COVID-19 pandemic following actions have been taken:

- As per State/Central Government guidelines the Company encouraged the 'work from home' and several initiatives were rolled out to make factory teams and managers effective while working from different locations. Initiatives related to COVID-19

awareness and the new remote way of working with a focus on health and wellness of the employees.

- Established detailed protocol for evacuation and sanitization of our factory premises and corporate office in the event as per guidelines issued by the State/Central Government.
- Increased levels of sanitization of our factory, corporate office, branch offices and transport vehicles and implemented various social distancing measures.
- Ensure availability of thermal scanners, masks, hygiene products and medicines in all our work places.
- Created detailed plans for enabling return-to-work in a phased manner, emphasised social distancing and hygiene.

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.

ANNEXURE –II

**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 / Member at General Meeting	Amount paid as advance, if any,
1	East West Combined Industries – The Proprietor is daughter of Mr.V.M.Seshadri, Managing Director	Purchase of goods Sale of goods	01.04.2019 to 31.03.2020	Aggregate value of Purchase of goods - not exceeding Rs.1000 lakhs Aggregate value of Sale of goods-not exceeding Rs.10 lakhs	02.04.2019	NIL
2	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	01.04.2019 to 31.03.2020	Aggregate value of Purchase of goods - not exceeding Rs.600 lakhs. Aggregate value of Sale of goods - not exceeding Rs.125 lakhs	02.04.2019	NIL
3	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	01.04.2019 to 31.03.2020	Aggregate value of Purchase of goods-not exceeding Rs. 100 lakhs. Aggregate value of Sale of goods - not exceeding Rs.100 lakhs	02.04.2019	NIL
4	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	01.04.2019 to 31.03.2020	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	02.04.2019	NIL
5	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	01.04.2019 to 31.03.2020	Aggregate value of Sale of goods - not exceeding Rs.10 lakhs	02.04.2019	NIL

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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 / Member at General Meeting	Amount paid as advance, if any,
6	H&S Supply Chain Services Pvt.Ltd – Directors are relatives of Mr.V.M.Seshadri, Managing Director	Providing 3PL Logistic services. Sale of goods	01.04.2019 to 31.03.2020	Aggregate value for the services rendered - not exceeding Rs.3700 lakhs Aggregate value of Sale of goods - not exceeding Rs.10 lakhs.	02.04.2019	NIL
7	Swaminathan Enterprises Private Limited -Directors are relatives of Mr. V.M. Seshadri, Managing Director	Purchase of goods Sale of goods	01.04.2019 to 31.03.2020	Aggregate value of Purchase of goods-not exceeding Rs. 1000 lakhs. Aggregate value of sales not exceeding Rs.100 lakhs	02.04.2019	NIL
8	B-Cube Ventures LLP – Partners are relative of Mr.V.M.Balasubramaniam, Vice Chairman & Managing Director	Providing Travel and Tour Services	01.04.2019 to 31.03.2020	Aggregate value of the services rendered – not exceeding Rs.300 lakhs. Additional limit of Rs.200 lakhs.	02.04.2019 01.11.2019	NIL
9	Rishaba Industries LLP – Partners are relatives of Mr.V.M.Kumaresan, Executive Director-Technical	Purchase of goods	01.04.2019 to 31.03.2020	Aggregate value of Purchase of goods-not exceeding Rs. 300 lakhs.	01.11.2019	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 – Rs.38.07 lakhs 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 - Rs.36.96 lakhs 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 - Rs.36.96 lakhs 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 – Sales. Salary – Rs.35.85 lakhs 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 & Finance. Salary – Rs.35.10 lakhs p.a. *	26.7.2013 (special resolution at AGM)	NIL

* revision of remuneration w.e.f. 01.01.2020 has been approved by the Members through Postal Ballot declared on 31.12.2019.

ANNEXURE III

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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, 2020, 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, 2020 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:

ANNEXURE III

- (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.

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) Re-appointment of Mr. V. M. Lakshminarayanan, as Managing Director, for a period of five (5) years, with effect

from 01.12.2019 to 30.11.2024, Re-appointment of Mr. V.M. Balasubramaniam as Managing Director of the Company for a period of five (5) years, with effect from 01.08.2019 to 31.07.2024, Re-appointment of Mr. K. Ganesan, Mr. M. Padmanabhan, Mr. A. Balasubramanian, Mr. G. S. Samuel and Mr. T. R. Srinivasan as Independent Directors of the Company for the second term of five (5) consecutive years with effect from 01.08.2019 to 31.07.2024;

- b) Alteration of Article No.130 of the Articles of Association of the Company under Section 14 of the Companies Act, 2013; and
- c) Increase in remuneration of Mr. V.M.L.Karthikeyan, Senior Vice President - Marketing, Mr. G. Viswanathan, Senior Vice President - Materials Management, Mr. V.M.L. Senthilnathan, Senior Vice President - Technical, Mr. V.M.L. Ganesan, Vice President - Finance, Mr. V.M.G. Mayuresan, Vice President - Corporate Strategy, under Section 188 of the Companies Act, 2013.

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 : 10.06.2020

Sd/-

For A.K JAIN & ASSOCIATES
Company Secretaries
BALU SRIDHAR
Partner
FCS No. 5869
C. P. No. 3550

ANNEXURE IV

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 a well organised, structured and continuous focus on improvement in efficiency of the machine, utility and infrastructure. Some of the key initiatives for conserving energy saving during the financial year 2019-2020 were:

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

[B] Technology absorption:

- (i) 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)

(a)	Capital	183.95
(b)	Recurring	3.82
(c)	Total	187.77

[C] Foreign Exchange earnings and outgo:

Foreign Exchange earnings : Rs. 1480.72 lakhs

Foreign Exchange outgo : Rs.7548.24 lakhs

Place : Chennai 600020

Date : 12.06.2020

For and on behalf of the Board

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

ANNEXURE V
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2020.
[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 Chengalpet District, Tamil Nadu
(vi)	Whether Listed Company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	GNSA INFOTECH PRIVATE LTD NELSON CHAMBERS, F-BLOCK, 4 th FLOOR #115, NELSON MANICKAM ROAD, AMINTHAKARAI, CHENNAI - 600 029

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	28.90
2	Mixer Grinder	27501	28.92
3	Table Top Wet Grinder	27501	11.61
4	Pressure Cooker	27504	16.06

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 V

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders Demat Physical		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	5061631	0	5061631	28.31	5027607	0	5027607	28.12	(0.19)
(b)	Central Govt. / State Govt(s).	-	-	-	-	-	-	-	-	-
(c)	State Govt(s).	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	6553665	0	6553665	36.65	6553665	0	6553665	36.65	0.00
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	11615296	0	11615296	64.96	11581272	0	11581272	64.77	(0.19)
(2)	Foreign									
(a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	11615296	0	11615296	64.96	11581272	0	11581272	64.77	(0.19)
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	940650	30	940680	5.26	1085281	30	1085311	6.07	0.81
(b)	Banks / FI	0	2000	2000	0.01	64832	2000	66832	0.37	0.36
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt(s).	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Portfolio Investor	28815	0	28815	0.16	290050	0	290050	1.62	1.46
(i)	Any other : Alternate Investment Fund	1444710	0	1444710	8.08	487458	0	487458	2.73	(5.35)
	Sub-Total (B)(1)	2414175	2030	2416205	13.51	1927621	2030	1929651	10.79	(2.72)
(2)	Non-Institutions									
(a)	Bodies Corporate									
(i)	Indian	419778	2729	422507	2.36	259966	2729	262695	1.47	(0.89)
(ii)	Overseas	-	-	-	-	-	-	-	-	-

ANNEXURE V

Category of Shareholders	Demat Physical	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	2249067	692812	2941879	16.45	2348763	667983	3016746	16.87	0.42
(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 lakh	310044	0	310044	1.73	857917	0	857917	4.80	3.06
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
(i)	Non Resident Indians	144376	2303	146679	0.82	189161	2303	191464	1.07	0.25
(ii)	Clearing Members	26941	0	26941	0.15	39455	0	39455	0.22	0.07
(iii)	Clearing Members		0		0.00	351	0	351	0.00	0.00
	Sub-Total (B)(2)	3150206	697844	3848050	21.52	3695613	673015	4368628	24.43	2.91
	Total Public Shareholding (B) = (B)(1) + (B)(2)	5564381	699874	6264255	35.04	5623234	675045	6298279	35.23	0.19
(C)	Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)	17179677	699874	17879551	100.00	17204506	675045	17879551	100.00	0.00

(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. SHENBAGA LAKSHMI	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	34024	0.19	0	0	0.00	0	0.19
13	V. M. S. NAMASIVAYAM	16495	0.09	0	16495	0.09	0	0.00

ANNEXURE V

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	
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 INIDA LLP	3507100	19.62	0	3507100	19.62	0	0.00
	Total	11615296	64.96	0	11581272	64.77	0	(0.19)

(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	11615296	64.96	11615296	
1	Sold - 14/02/2020 (GANDHIMATHI A)	1000	0.01	11614296	64.96
2	Sold - 21/02/2020 (GANDHIMATHI A)	15000	0.08	11599296	64.87
3	Sold - 28/02/2020 (GANDHIMATHI A)	18024	0.10	11581272	64.77
	Total at the end of the year	11615296	64.96	11581272	64.77

(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 (1.4.19 to 31.3.20)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1	IDFC STERLING EQUITY FUND	499500	2.79	13-Dec-19	500	bought-Demat	500000	2.80
				07-Feb-20	20000	bought-Demat	520000	2.91
				28-Feb-20	50015	bought-Demat	570015	3.19
				06-Mar-20	28144	bought-Demat	598159	3.35
				13-Mar-20	11841	bought-Demat	610000	3.41
				20-Mar-20	20000	bought-Demat	630000	3.52

ANNEXURE V

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 (1.4.19 to 31.3.20)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
2	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND	415115	2.32	18-Oct-19	5000	bought-Demat	420115	2.35
				29-Nov-19	2131	bought-Demat	422246	2.36
				13-Mar-20	5000	bought-Demat	427246	2.39
				20-Mar-20	2000	bought-Demat	429246	2.40
3	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I	338351	1.89	17-Jan-20	7147	bought-Demat	345498	1.93
				24-Jan-20	17530	bought-Demat	363028	2.03
				31-Jan-20	5904	bought-Demat	368932	2.06
				07-Feb-20	13167	bought-Demat	382099	2.14
4	HORNBILL ORCHID INDIA FUND	0	0.00	01-Nov-19	25847	bought-Demat	25847	0.14
				08-Nov-19	44500	bought-Demat	70347	0.39
				15-Nov-19	36606	bought-Demat	106953	0.60
				22-Nov-19	29740	bought-Demat	136693	0.76
				29-Nov-19	31438	bought-Demat	168131	0.94
				13-Dec-19	26616	bought-Demat	194747	1.09
				20-Dec-19	2257	bought-Demat	197004	1.10
				27-Dec-19	5644	bought-Demat	202648	1.13
				21-Feb-20	10708	bought-Demat	213356	1.19
				28-Feb-20	47879	bought-Demat	261235	1.46
5	DOLLY KHANNA	185315	1.04	17-May-19	8000	sold-Demat	177315	0.99
				31-May-19	20000	sold-Demat	157315	0.88
				07-Jun-19	12000	sold-Demat	145315	0.81
				14-Jun-19	8500	sold-Demat	136815	0.77
				21-Jun-19	5500	sold-Demat	131315	0.73
				28-Jun-19	2000	sold-Demat	129315	0.72
				12-Jul-19	2000	bought-Demat	131315	0.73
				26-Jul-19	7000	bought-Demat	138315	0.77
				11-Oct-19	4000	bought-Demat	142315	0.80
				18-Oct-19	4000	bought-Demat	146315	0.82
				01-Nov-19	9000	bought-Demat	155315	0.87
				08-Nov-19	14000	bought-Demat	169315	0.95

ANNEXURE V

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 (1.4.19 to 31.3.20)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
				15-Nov-19	3000	bought-Demat	172315	0.96
				29-Nov-19	2000	bought-Demat	174315	0.97
				06-Dec-19	9000	bought-Demat	183315	1.03
				31-Dec-19	8000	bought-Demat	191315	1.07
				10-Jan-20	25000	bought-Demat	216315	1.21
				17-Jan-20	17000	bought-Demat	233315	1.30
				24-Jan-20	6000	bought-Demat	239315	1.34
				07-Feb-20	39000	sold-Demat	200315	1.12
				14-Feb-20	3000	sold-Demat	197315	1.10
				21-Feb-20	10000	sold-Demat	187315	1.05
				28-Feb-20	5000	sold-Demat	182315	1.02
				06-Mar-20	17000	sold-Demat	165315	0.92
				13-Mar-20	12000	sold-Demat	153315	0.86
				20-Mar-20	2000	sold-Demat	151315	0.85
6	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II	105359	0.59	06-Apr-18			105359	0.59
7	K NARESH KUMAR	0	0.00	26-Jul-19	7000	bought-Demat	7000	0.04
				30-Jul-19	2400	bought-Demat	9400	0.05
				02-Aug-19	5900	bought-Demat	15300	0.09
				09-Aug-19	2700	bought-Demat	18000	0.10
				16-Aug-19	4700	bought-Demat	22700	0.13
				23-Aug-19	5250	bought-Demat	27950	0.16
				30-Aug-19	6700	bought-Demat	34650	0.19
				13-Sep-19	2000	bought-Demat	36650	0.20
				27-Sep-19	1500	bought-Demat	38150	0.21
				04-Oct-19	65000	bought-Demat	103150	0.58
				07-Feb-20	7685	sold-Demat	95465	0.53
8	GOVINDLAL GILADA	0	0.00	11-Oct-19	87500	bought-Demat	87500	0.49
				31-Jan-20	5000	sold-Demat	82500	0.46
9	SURENDRA KUMAR JAIN	0	0.00	04-Oct-19	42612	bought-Demat	42612	0.24
				11-Oct-19	12239	bought-Demat	54851	0.31

ANNEXURE V

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 (1.4.19 to 31.3.20)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
				06-Mar-20	6749	bought-Demat	61600	0.34
10	ALLWYN DSOUZA	17300	0.10	17-May-19	100	bought-Demat	17400	0.10
				09-Aug-19	250	bought-Demat	17650	0.10
				18-Oct-19	1000	bought-Demat	18650	0.10
				25-Oct-19	2000	bought-Demat	20650	0.12
				17-Jan-20	50	sold-Demat	20600	0.12
				24-Jan-20	100	sold-Demat	20500	0.11
				31-Jan-20	13500	bought-Demat	34000	0.19
				07-Feb-20	10000	bought-Demat	44000	0.25
				21-Feb-20	2000	bought-Demat	46000	0.26
				28-Feb-20	5000	bought-Demat	51000	0.29
				20-Mar-20	3200	bought-Demat	54200	0.30
				27-Mar-20	100	bought-Demat	54300	0.30
				31-Mar-20	500	bought-Demat	54800	0.31

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

Sl. 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
5	K.S.RAMAKRISHNAN	0	0	0	0
7	R.NAGARAJAN	0	0	0	0

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

Sl. No.	Name of the shareholder	31st March 2019		31st March 2020	
		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	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	-	-

ANNEXURE V

(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, 2019				
i) Principal Amount	13758.74	1630.00	-	15388.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	40.86	15.05	-	55.92
Total (i+ii+iii)	13799.60	1645.05	-	15444.66
Change in Indebtedness during the financial year				
* Addition	2666.59	-	-	2666.59
* Reduction	794.02	228.00	-	1022.02
Net Change	1872.57	-228.00	-	1644.57
Indebtedness at the end of the financial year March 31, 2020				
i) Principal Amount	15631.31	1402.00	-	17033.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	83.54	-	-	83.54
Total (i+ii+iii)	15714.85	1402.00	-	17116.85

VI. B. Remuneration to other Directors:

S. No.	Name of Directors	Fee for attending Board/ Committee Meetings (Rs.)
1	K.Ganesan (Independent Director)	7,05,000
2	M.Padmanabhan (Independent Director)	6,90,000
3	A.Balasubramanian (Independent Director)	4,20,000
4	G.S.Samuel (Independent Director)	2,10,000
5	T.R.Srinivasan (Independent Director)	1,80,000
6	Mrs.Maheshwari Mohan Woman Independent Director)	1,95,000
	TOTAL	24,00,000

ANNEXURE V
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Wholetime Directors and/or Manager

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
		V.M.Lakshminarayanan 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	72.00	70.80	69.60	67.20	67.20	67.20	346.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14.40	14.16	13.92	13.44	13.44	13.44	69.36
	(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	9.01	8.86	8.71	8.41	8.41	8.41	43.40
	Total (A)	95.41	93.82	92.23	89.05	89.05	89.05	459.56
	Ceiling as per the Act *	NA	NA	NA	NA	NA	NA	NA

* **NOTE:** The remuneration paid to MDs/Wholetime Directors named above are the minimum remuneration payable to them 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.

ANNEXURE V

VI. C. Remuneration to key Managerial Personnel other than MD/Manager/WTD

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
(1)	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	22.50	18.26	40.76
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961.	5.96	10.53	16.49
(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	28.46	28.79	57.25

VII. PENALTIES/PUNISHMENT /COMPOUNDING OF OFFENCES:

There were no Penalties/Punishment/Compounding of offences against the Company, Directors and other officers in default during the year ended 31st March 2020.

ANNEXURE VI
Disclosure pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016
1. Ratio of the remuneration to each whole time Director to the median remuneration of the employees of the Company for the financial year ended on 31.3.2020

Name of Director	Ratio of remuneration to the median remuneration of the Company's employees
Mr.V.M.Lakshminarayanan	1:36
Mr.V.M.Balasubramaniam	1:36
Mr.V.M.Seshadri	1:35
Mr.V.M.Gangadharam	1:34
Mr.V.M.Kumaresan	1:34

2. Percentage increase in remuneration of each wholetime Director, in the financial year ended on 31.3.2020:

There was no increase in remuneration of any one of the above named in the financial year ended on 31.3.2020.

3. Percentage increase in the median remuneration of employees in the financial year ended on 31.3.2020:

There was an increase of 19.98% in the median remuneration of employees in the financial year ended on 31.3.2020.

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

There were 1353 permanent employees on the rolls of Company as on 31.3.2020.

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 – 32.46 %

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.

For and on behalf of the Board of Directors

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

Place : Chennai - 600020

Date : 12.06.2020

ANNEXURE VI

**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.in lakhs)	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 (72)	Chairman & Managing Director	95.41	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 (70)	Vice Chairman & Managing Director	93.82	Full Time	Matriculation	01.08.2014	Managing Director of Gandhimathi Appliances Limited	3.19	Brother of Messrs. V.M.Lakshminarayanan V.M.Seshadri V.M.Gangadharam and V.M.Kumaresan
3	V.M.Seshadri (68)	Managing Director	92.23	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	V.M.Gangadharam (65)	Executive Director	89.05	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
5	V.M.Kumaresan (57)	Executive Director -Technical	89.05	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.Kumaresan
6	Rajamani Viswanathan (48)	Sr. Vice President Sales and Marketing	61.82	Full Time	B.Com. PG.Diploma in Marketing and system management	26.03.2018	Sr. G.M Sales and Marketing in Videocon Industries Ltd	Nil	Nil
7	Santhosh Kumar K (41)	G M South - II Division	40.21	Full Time	M B A Marketing	18.03.2016	Regional Manager (Circle Head) Videocon Industries Limited	Nil	Nil
8	Karthikeyan V.M.L. (46)	Sr. Vice President - Marketing	38.07	Full Time	B.E.(Mech)	01.06.2007	Nil	0.46	Son of Mr.V.M.Lakshminarayanan
9	Viswanathan G (42)	Sr.Vice President - Materials Management	36.96	Full Time	B.E.(Mech), MEP at IIMA	01.10.2001	Nil	0.09	Son of Mr.V.M.Gangadharam
10	Senthilnathan VML (42)	Sr.Vice President - Technical	36.96	Full Time	Matriculation	01.04.1999	Nil	0.06	Son of Mr.V.M.Lakshminarayanan

Place : Chennai - 600020
Date : 12.06.2020

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

ANNEXURE - VII

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/loss for the last three preceding financial years – Loss of Rs.4844.22 lakhs.

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

- Total amount spent during the year : Rs. 14.72 lakhs (including unspent amount of Rs. 10.20 lakhs as per previous year closing balance)
- Amount unspent: Nil.
- 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	School Teachers salary	Education	Thaiyur	412000	412000	Direct
2	School Teacher Salary	Education	Pudupakkam	382000	382000	Direct
3	Median Garden water	Environmental	Pudupakkam	140950	140950	Direct
4	Education	Children Tour	Pudupakkam	16948	16948	Direct
5	Govt. High School – Auditorium	Construction of Auditorium - Civil Work	Vamandampalayam	152000	152000	Direct
6	Govt.School	Construction of compound wall - Civil Work	Pudupakkam & Thiruporur	197234	197234	Direct
7	Govt.School – Thiruporur	Charges R.O.Plant maintenance	Thiruporur	171100	171100	Direct

5. Details of CSR spent during the financial year:

Company has spent Rs.14.72 lakhs towards education, environmental protection and civil work in Government High Schools.

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

Not Applicable

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 : Chennai
Date : 12.6.2020

for and on behalf of the Board of Directors
V.M.Lakshminarayanan
 Chairman & Managing Director

T.R.Srinivasan
 Chairman-CSR Committee

ANNEXURE VIII

BUSINESS RESPONSIBILITY REPORT

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

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY:

1. Corporate Identity Number (CIN) of the Company	L28931TN1986PLC012728
2. Name of the Company	Butterfly Gandhimathi Appliances Limited
3. Registered address	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Chengalpet District
4. Website	www.butterflyindia.com
5. E-mail ID	butterflyho@butterflyindia.com
6. Financial Year Reported	1 st April 2019 to 31 st March 2020
7. Sector(s) that the Company is engaged in (Industrial activity code-wise)	27504, 27501
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	LPG Stove, Mixer Grinder, Table Top Wet Grinder, Pressure Cooker, Stainless Steel Vacuum Flasks & Water Bottle.
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations (Provide details of major 5)	Nil
(b) Number of National Locations	
(i) Factories	2
(ii) Corporate Office	1
(iii) Branches	25
(iv) Showroom	2
(v) Service Centre	19
10. Markets served by the Company – Local/State/National/International	Serves Local, State, National and International markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

(Rs. in lakhs)

1.	Paid up Capital (INR)	1787.96
2.	Total Turnover (INR)	68015.18
3.	Total Profit after Tax (INR)	397.90
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent to the tune of Rs.14.72 lakhs - towards CSR activities during the financial year 2019-2020.
5.	List of activities in which expenditure in 4 above has been incurred	Education, Infrastructure and sanitary facilities to rural local schools, civil construction work and R.O, Drinking water facilities.

ANNEXURE - VIII
SECTION C: OTHER DETAILS:

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

SECTION D: BR INFORMATION:
1. Details of Director/Directors responsible for BR:

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

1. DIN : 00106506
Name : V.M.Seshadri
Designation ; Managing Director
2. DIN : 00106466
Name : V.M.Gangadharam
Designation : Executive Director

(b) Details of the BR head:

S.No.	Particulars	Details
1.	DIN Number (if applicable)	00106506
2.	Name	V.M.Seshadri
3.	Designation	Managing Director
4.	Telephone Number	044-47415515
5.	e-mail ID	vms@butterflyindia.com

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

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

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

ANNEXURE - VIII

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for									
2.	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/ CEO appropriate Board Meeting?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out Independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done with next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR:

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

Annual Review.

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

No.

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SECTION E: PRINCIPLE-WISE PERFORMANCE:
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
a. Does the policy relating to ethics, bribery and corruption cover only the company?

Does it extend to the Group/ Joint Ventures/ Suppliers / Contractors/ NGOs/ Others?

Yes, largely applies to the Company

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

Nil.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

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

Initiatives to reduce environmental impact:

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

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

- LPG Thermal Efficiency improvement is an innovation in Product Design
- Reduction in consumption of plastic water bottles
- Three roller conical rollers is a design concept
- Procurement & Consumption of Thermocol significantly reduced
- 100% usage of recyclable plastic covers

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

- Reduction in consumption of LPG gas for the consumers
- Safe, Hygienic SS water bottle which leads to avoiding one time plastic bottles
- Reduction of grinding time & electrical energy consumption
- Compliance of environmental law to avoid the usage of Thermocol
- Environmental free plastic recyclable covers usage
- Adherence of Government regulations for the OEM & consumers

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

- We have Procurement Policy for domestic & international suppliers
- About 85% of our input materials are sourced sustainably

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

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

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

- We do recycling of Aluminium products with our suppliers & ABS materials by in-house @ 5-10%.

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

a. Please indicate the total number of employees: 1353

b. Please indicate the total number of employees hired on temporary/ contractual/casual basis: 2453

ANNEXURE - VIII

- c. Please indicate the Number of permanent women employees: **307**
- d. Please indicate the Number of permanent employees with disabilities: **NIL**
- e. Do you have an employee association that is recognized by management? **YES**
- f. What percentage of your permanent employees is members of this recognized employee association? **100%**
- g. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

100% employees were covered for various safety trainings as on 31st March 2020

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

- a. **Has the Company mapped its internal and external stakeholders? Yes/No:** YES
- b. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

The Company is an Equal Opportunity employer; none of the categories is marginalised.

As regards to other stakeholders, the Company has a policy of non-discrimination.

- c. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details, thereof in about 50 words or so:** NOT APPLICABLE.

Principle 5: Businesses should respect and promote human rights.

- a. **Does the policy of the Company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

The policy covers only the Company.

- b. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

There have been no major complaints other than normal shareholders complaints. The Company has a policy to attend the complaints within 48 hours.

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

- a. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others**

Largely covers the company only.

- b. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc.:**

Being developed.

- c. **Does the Company identify and assess potential environmental risks? Y/N :**

YES

- d. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

NO

- e. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page, etc.**

The Company is continuously concentrating in energy savings projects.

- f. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

YES

ANNEXURE - VIII

g. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial year.

NIL

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

a. Is your Company member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

NIL

b. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (drop box, governance and administration, economic reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

NO

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

a. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8. If yes, details thereof.

The Company has a well-defined CSR Policy and spends on various projects/activities as listed in the CSR report forming part of the Corporate Governance Report.

b. Are the programmes/projects undertaken through in-house team /own foundation/ external NGO/ government structures/ any other organization?

In-house team.

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

YES

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

All the CSR projects undertaken by the Company directly for the benefit of the community at large. The details of

project/ activities are listed in the separate CSR Report attached with this Annual Report.

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

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

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

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

Insignificant

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

YES

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

NO

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

Company carry out formal and informal survey through its Customer Relationship Management (CRM) and feedback will be given to other departments for improving consumerism as well as product development.

ANNEXURE IX

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.

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 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.

2. BOARD OF DIRECTORS:**(a) COMPOSITION AND CATEGORY OF DIRECTORS:**

The Board comprises of eleven Directors as on 31.3.2020, of whom six are Non-Executive Independent Directors:

Name of the Directors & Category of Directorship	No. of Board meetings attended	Attendance at the last AGM (07.08.2019) Yes/No	Category of Directorship & Name of Listed entities where person is a Director.
Mr.V.M.Lakshminarayanan Chairman and Managing Director (Promoter – Executive) DIN: 00106346	9	Yes	Nil
Mr.V.M.Balasubramaniam Vice Chairman and Managing Director (Promoter – Executive) DIN: 00106428	8	Yes	Nil
Mr.V.M.Seshadri Managing Director (Promoter – Executive) DIN: 00106506	9	Yes	Nil
Mr.V.M.Gangadharam Executive Director (Promoter – Executive) DIN: 00106466	8	Yes	Nil
Mr.V.M.Kumaresan Executive Director-Technical (Promoter – Executive) DIN: 00835948	9	Yes	Nil
Mr.Anand Mundra * Nominee Director Nominee of Equity Investor	2	Yes	Demla Valves Ltd (Nominee Director)
Mr.K.Ganesan Independent Director Non-Executive Director DIN: 00102274	9	Yes	Nil
Mr.M.Padmanabhan Independent Director Non-Executive Director DIN:00101997	9	Yes	Quintegra Solutions Ltd (Non-Executive Director)

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Name of the Directors & Category of Directorship	No. of Board meetings attended	Attendance at the last AGM (07.08.2019) Yes/No	Category of Directorship & Name of Listed entities where person is a Director.
Mr.A.Balasubramanian Independent Director Non-Executive Director DIN:00490921	9	Yes	Nelcast Limited (Independent Director)
Mr.G.S.Samuel Independent Director Non-Executive Director DIN:05284689	9	Yes	Swelect Energy Systems Limited (Independent Director)
Mr.T.R.Srinivasan Independent Director Non-Executive Director DIN:00367302	8	Yes	Nil
Mrs.Maheshwari Mohan Independent Woman Director Non-Executive Director DIN:07156606	8	Yes	Nil

*Vacated office due to withdrawal of nomination with effect from 30.09.2019.

(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	-
Mr.V.M.Seshadri	-	-	-	-
Mr.V.M.Gangadharam	-	-	2	-
Mr.V.M.Kumaresan	-	-	2	-
Mr. K.Ganesan	-	-	-	-
Mr.M.Padmanabhan	1	4	1	-
Mr.A.Balasubramanian	1	2	-	-
Mr.G.S.Samuel	1	3	1	-
Mr.T.R.Srinivasan	-	-	-	-
Mrs.Maheshwari Mohan	-	-	-	-

(c) NUMBER OF BOARD MEETINGS HELD DURING THE YEAR AND DATES ON WHICH HELD:

During the financial year ended 31st March 2020, the Board met nine times on 02.04.2019, 03.04.2019, 04.04.2019, 24.05.2019, 05.08.2019, 07.08.2019, 30.10.2019, 01.11.2019, 31.01.2020.

(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'.

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(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:

1. Leadership, hands on experience on domestic kitchen appliances industry and operational experiences in sourcing, manufacturing, marketing and business development, R&D innovation.
2. Strong technical knowledge of the industry in which Company operates including implementation of latest technology equipment, tools and dies, etc.
3. Strategy planning.
4. Behavioral skills – attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
5. Leadership, Accounting, financial management, cost expertise and banking.
6. Safety, Risk Managements, Legal and Industrial Relation & Human Relationship expertise and Corporate Governance.

Mr.V.M.Lakshminarayanan - 1, 2, 3, 4, 5 & 6.

Mr.V.M.Balasubramaniam - 1, 2, 3, 4, 5 & 6.

Mr.V.M.Seshadri - 1, 2, 3, 4, 5 & 6.

Mr.V.M.Gangadharam - 1, 2, 3, 4, 5 & 6.

Mr.V.M.Kumaresan - 1, 2, 3, 4, 5 & 6.

Mr.K.Ganesan - 3, 4, 5 & 6.

Mr.M.Padmanabhan - 3, 4, 5 & 6.

Mr.A.Balasubramanian - 3, 4, 5 & 6.

Mr.G.S.Samuel - 3, 4, 5 & 6.

Mr.T.R.Srinivasan - 3, 4, 5 & 6.

Mrs.Maheshwari Mohan - 3, 4, 5 & 6.

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;
- 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;
- 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 Independent Director
Mr.V.M.Lakshminarayanan	Member	Promoter/Executive Director
Mr.M.Padmanabhan	Member	Non-Executive Independent Director
Mr.A.Balasubramanian	Member	Non-Executive Independent Director

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Mr.K.S.Ramakrishnan, Company Secretary & General Manager
– Legal is the Secretary to the Audit Committee.

(iii) Meetings and attendance during Financial year ended 31st March 2020:

During the financial year ended on 31st March 2020, the Audit Committee met eight times on 2.4.2019, 20.5.2019, 24.5.2019, 5.8.2019, 31.10.2019, 28.11.2019, 31.1.2020 and 26.2.2020.

Name of Director	Attendance at Audit Committee meetings
Total no. of meetings held during the year which were attended by the Members	8
Mr. K.Ganesan	8
Mr.M.Padmanabhan	7
Mr.A.Balasubramanian	8
Mr.V.M.Lakshminarayanan	8

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 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 Independent Director
Mr.M.Padmanabhan	Member	Non-Executive Independent Director
Mr.A.Balasubramanian	Member	Non-Executive Independent Director
Mr.Anand Mundra*	Member	Nominee Director

*Vacated office due to withdrawal of nomination with effect from 30.09.2019.

(iii) Meetings and Attendance during the financial year ended on 31.03.2020:

During the financial year ended on 31st March 2020, the Nomination and Remuneration Committee met two times on 3.4.2019 and 31.10.2019.

Name of Director	Attendance at Nomination and 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

*Vacated office due to withdrawal of nomination with effect from 30.09.2019.

(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

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(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:

There are six Independent Directors including a Woman Independent Director. None of the Independent Directors has any pecuniary relationship or transactions with the Company.

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

The Non-Executive Directors were paid Sitting fee of Rs.15,000/- for each Board/ Committee meetings

attended by them till 30.9.2019 and from October 2019 the sitting fees is enhanced to Rs.30,000/-. Details of such sitting fee paid to them during the financial year ended 31st March 2020 are given below:

Name of the Director	Sitting Fees (Rs.)
Mr.K.Ganesan	7,05,000
Mr.M.Padmanabhan	6,90,000
Mr.A.Balasubramanian	4,20,000
Mr.G.S.Samuel	2,10,000
Mr.T.R.Srinivasan	1,80,000
Mrs.Maheswari Mohan	1,95,000
TOTAL	24,00,000

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 Whole-time Directors are as follows:

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

Details of remuneration paid/payable to the Managing Directors and Whole-time Executive Directors during the financial year ended on 31.03.2020 are as follows:

(Rs.)

Name of Director	Salary	Perquisites	Contribution to PF	Total
V.M.Lakshminarayanan	72,00,000	14,40,000	9,00,900	95,40,900
V.M.Balasubramaniam	70,80,000	14,16,000	8,85,900	93,81,900
V.M.Seshadri	69,60,000	13,92,000	8,70,900	92,22,900
V.M.Gangadharam	67,20,000	13,44,000	8,40,900	89,04,900
V.M.Kumaresan	67,20,000	13,44,000	8,40,900	89,04,900

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. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Composition, Name of the Members and Chairperson:

The composition of the Stakeholders' 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:

ANNEXURE - IX

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

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 2020, the Stakeholders' Relationship Committee met four times on 15.04.2019, 18.07.2019, 18.10.2019 and 04.01.2020.

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 compliances: Nil

6. SHARE TRANSFER COMMITTEE:

The Committee consisted of the following Directors

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

Share Transfer Committee meetings were held on 17.04.2019, 10.05.2019, 26.06.2019, 05.08.2019, 16.09.2019, 03.10.2019, 31.12.2019, 08.01.2020, 30.01.2020 and 16.03.2020.

7. 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
2016-17	30 th AGM	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam-603103, Kancheepuram District	07.09.2017 at 11.00 a.m.	NIL
2017-18	31 st AGM	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam-603103, Kancheepuram District	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.

ANNEXURE - IX

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
2018-19	32 nd AGM	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam-603103, Kancheepuram District	07.08.2019 at 11.00 a.m.	<p>a. 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, for the purpose for mortgaging and/or charging all or any of the movable and/or immovable properties present and future.</p> <p>b. Pursuant to the provisions of Section 181 of the Companies Act 2013 and other applicable provisions, contribution to bonafide Charitable and other funds, aggregate of which shall not exceed 5% of its average profit.</p>

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

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 07.08.2019

Date of Postal Ballot Notice : 07.08.2019 Voting period : 28.09.2019 to 28.10.2019

Date of declaration of result : 30.10.2019 Date of approval : 28.10.2019

Item No.	Particulars	Type of Resolution	No. of votes polled	Votes cast			
				In favour	%	Against	%
1	Alteration of Clause 130 of the Articles of Association	Special	12143806	12130130	99.89	13676	0.11

II. Postal Ballot dated 01.11.2019

Date of Postal Ballot Notice : 01.11.2019 Voting period : 29.11.2019 to 29.12.2019

Date of declaration of result : 31.12.2019 Date of approval : 29.12.2019

Item No.	Particulars	Type of Resolution	No. of votes polled	Votes cast			
				In favour	%	Against	%
1	Increase in remuneration to Mr.V.M.L.Karthikeyan, Sr Vice President – Marketing	Special	3874510	3867498	99.82	7012	0.18
2	Increase in remuneration to Mr.G.Viswanathan, Sr.Vice President – Materials Management	Special	4455286	4448254	99.84	7032	0.16
3	Increase in remuneration to Mr.V.M.L.Senthilnathan, Sr.Vice President – Technical	Special	3874060	3867028	99.82	7032	0.18
4	Increase in remuneration to Mr.V.M.L.Ganesan, Vice President – Finance	Special	3874110	3867077	99.82	7033	0.18
5	Increase in remuneration to Mr.V.M.G.Mayuresan, Vice President – Corporate Strategy & Finance	Special	4455286	4448254	99.84	7032	0.16

ANNEXURE - IX

Scrutinizer:

Mr. Balu Sridhar, Partner of M/s. A.K. Jain & Associates, Company Secretaries was appointed for carrying out the above postal ballot 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 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.

8. 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 Company periodically meets or has conference calls with institutional investors and analysts, Official news releases and presentation made to institutional investors and analysts are upload on NEAPS and BSE online portal of NSE and BSE respectively and posted on the Company's web site www.butterflyindia.com.

(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.

9. GENERAL SHAREHOLDER INFORMATION:

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

In view of the continuing COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members at the common venue. In compliance with the provisions of the Companies Act, 2013 ('Act') SEBI (LODR) Regulations 2015 ("SEBI Listing Regulations") and MCA Circulars the AGM of the Company is being held through VC / OAVM.

(b) Particulars of Financial Calendar [Tentatively]:

Financial year	: 1 st April 2020 to 31 st March 2021
Unaudited First Quarter Results	: On or by 15 th August, 2020
Unaudited Second Quarter Results	: On or by 15 th November, 2020
Unaudited Third Quarter Results	: On or by 15 th February, 2021
Audited Annual Results	: On or by 30 th May, 2021

(c) Date of Book Closure : 13.8.2020 to 20.08.2020 (both days inclusive)

(d) Date of remote e-voting : from Sunday 16th August. 2020 (9.00 a.m.) to Wednesday 19th August 2020 (5.00 p.m.)

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(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 Ltd (NSE)	Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051

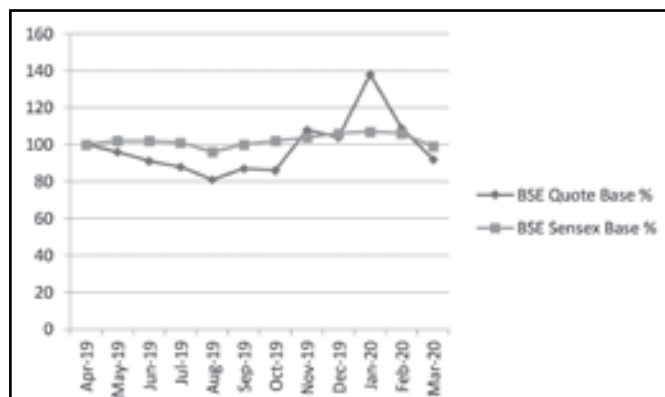
Annual Listing Fees have been paid for the financial year 2020-2021.

(f) Stock Code:

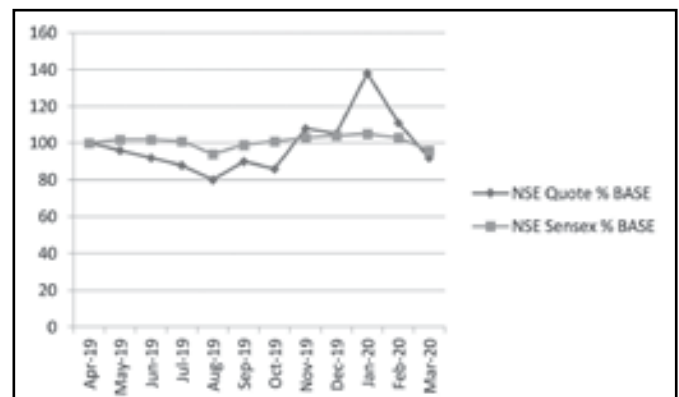
BSE	517421
NSE	BUTTERFLY
ISIN	INE295F01017

(g) Market Price Data (High/Low) during financial year 2019-2020

Stock performance Vs BSE SENSEX				
Month	BSE Quote		BSE Sensex	
	High (Rs)	Base %	High	Base %
Apr-19	206.00	100	39487.45	100
May-19	198.00	96	40124.96	102
Jun-19	187.00	91	40312.07	102
Jul-19	182.00	88	40032.41	101
Aug-19	166.00	81	37807.55	96
Sep-19	179.95	87	39441.12	100
Oct-19	177.00	86	40392.22	102
Nov-19	222.00	108	41163.79	104
Dec-19	215.22	104	41809.96	106
Jan-20	284.70	138	42273.87	107
Feb-20	225.20	109	41709.30	106
Mar-20	189.00	92	39083.17	99



Stock performance Vs NSE SENSEX				
MONTH	NSE QUOTE		NSE SENSEX	
	HIGH(Rs.)	% BASE	HIGH(Rs.)	% BASE
Apr-19	205.90	100	11856.15	100
May-19	190.90	96	12041.15	102
Jun-19	188.50	92	12103.05	102
Jul-19	180.80	88	11981.75	101
Aug-19	163.80	80	11181.45	94
Sep-19	184.50	90	11694.85	99
Oct-19	176.50	86	11945.00	101
Nov-19	222.00	108	12158.80	103
Dec-19	215.50	105	12293.90	104
Jan-20	284.90	138	12430.50	105
Feb-20	227.90	111	12246.70	103
Mar-20	189.55	92	11433.00	96



(h) The Company's equity shares were not suspended from trading during the financial year 2019-2020.

(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, Aminjikarai, Chennai-600 029, Email ID: sta@gnsaindia.com; Phone: 044-42962025 as its Share Transfer Agents to take care of share transactions, both in demat and physical forms.

(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 meets every fortnight to approve transfer/transmission of the shares in physical form, processed by the Registrars and Share Transfer Agents. As at 31st March 2020, no Equity Shares were pending for transfer.

ANNEXURE - IX
(k) Shareholding Pattern as at 31.3.2020

CATEGORY		NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
A	Promoter's holding Promoters & their relatives	11581272	64.77
B	Non-Promoters Holding	--	--
1	INSTITUTIONAL INVESTORS		
	Foreign Portfolio Investor	290050	1.62
	Alternative Investor Fund	487458	2.73
	Mutual Funds/UTI	1085311	6.07
	Financial Institutions/ Banks	66832	0.37
	Others	--	--
2	CENTRAL/STATE GOVERNMENTS		
3	NON-INSTITUTIONAL INVESTORS		
	a. Bodies Corporate	262695	1.47
	b. Indian Public	3874663	21.67
	c. NRIs	191464	1.07
	d. Clearing Members	39806	0.23
	GRAND TOTAL	17879551	100.00

(l) Distribution of shareholding as on 31.03.2020:

No. of Equity Shares Held	No. of Share holders	%	No. of Shares held	%
1 – 500	19516	94.74	1702231	9.52
501 – 1000	570	2.77	451008	2.52
1001 – 2000	262	1.27	393892	2.20
2001 – 3000	82	0.40	209807	1.17
3001 – 4000	33	0.16	118238	0.66
4001 – 5000	30	0.15	142387	0.80
5001 – 10000	44	0.21	312766	1.75
Above 10000	62	0.30	14549222	81.37
TOTAL	20599	100.00	17879551	100.00
No. of shares held in physical form	7659	37.18	675045	3.78
No. of Shares held in electronic mode	12940	62.82	17204506	96.22
Total	20599	100.00	17879551	100.00

(m) Dematerialization of shares and liquidity: As on 31.03.2020, 96.22% of the paid- capital has been dematerialized.

(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 Chengalpet District Tamil Nadu
(ii) No.41, Pudupakkam Village, Vandalur – Kelambakkam Road, Kelambakkam - 603103, Chengalpet District Tamil Nadu
(iii) No.7, Karanai-Puducherry Village, Kattur - 603 202, Chengalpattu Taluk Chengalpet Dist 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, Aminjikarai,
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, Chengalpet District
Email: butterflyho@butterflyindia.com and cs@butterflyindia.com

ANNEXURE - IX

9. 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 2019-2020, no transaction of material nature has been entered into by the Company 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 AOC2 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 have been denied access to the audit committee.

In accordance with the provisions of Section 177(9) of the Companies Act 2013 and the Rules made thereunder and

also Regulation 22 of the SEBI (LODR) Regulations 2015, Whistle Blower Policy of the Company can be visited at its website www.butterflyindia.com. The Company has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and it has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

(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 were complied with.

(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 2020.

(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 10.06.2020 received from M/s.A.K. Jain & Associates practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being

ANNEXURE - IX

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 by the Company to the Statutory Auditors - M/s.ASA & Associates LLP for the year 2019-2020:

(Rs. in lakhs)

Particulars	Amount (2019-2020)
Statutory Audit Fee	15.00
Other Expenses	0.25
Out of Pocket Expenses	0.31
Total	15.56

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

(xi) 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: Chennai For and on behalf of the Board of Directors
Date: 12.06.2020

V.M.LAKSHMINARAYANAN
Chairman and Managing Director

ANNEXURE A

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) in respect of Butterfly Gandhimathi Appliances Limited (CIN: L28931TN1986PLC012728) we hereby certify that:

On the basis of the written representation /declaration received from the Directors and taken on record by the Board of Directors, as on March 31, 2020, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed for continuing as Director of Companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority.

Chennai
10.06.2020

A.K.Jain & Associates
Company Secretaries
(Balu Sridhar)
Partner
FCS No.5869
C.P.No.3550
UDIN: F005869B000332085

ANNEXURE - IX

**CERTIFICATION UNDER THE PROVISIO TO CLAUSE (b) OF
SUB REGULATION (2) OF REGULATION 33
OF THE SEBI (LODR) REGULATION 2015.**

To

The Board of Directors
Butterfly Gandhimathi Appliances Limited

- A.** We have reviewed financial statements for the year ended on 31.3.2020 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.Seshadri
Managing Director

R.Nagarajan
Chief Financial Officer

Place : Chennai - 600020

Date : 12.06.2020

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 2020, 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, 2020.

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, 2020.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction of Use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the aforesaid Regulations and may not be suitable for any other purpose.

For ASA & ASSOCIATES LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

S.SUNDAR RAJAN

Partner

Membership No: 211414

UDIN: 20211414AAAADG6401

Place: Chennai

Date: June 12, 2020

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, 2020, 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, 2020 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 described below is the key audit matter to be communicated in our audit report

Report on the Audit of Ind AS Financial Statements for the year ended March 31, 2020

Sl. No	Key Audit Matter	Auditor's Response
1	<p>Provision towards warranty obligation: Company provides for the warranty expenses based on the certain estimation which involves significant judgment.</p>	<p>Audit Procedures: We have obtained the workings, basis and assumptions 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 appropriate to cover the warranty obligation of the Company.</p>

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 materiality 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.

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

INDEPENDENT AUDITOR'S REPORT

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 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

INDEPENDENT AUDITOR'S REPORT

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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

UDIN: 20211414AAAADF3770

Place: Chennai

Date: June 12, 2020

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) A portion 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 title deeds are in the name of the Company except a portion of Freehold land situated at Pudupakkam, Kanchipuram District, in respect of which the transfer of title deeds in the name of the Company is pending.
- 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. Accordingly reporting under sub- clauses a, b & c to clause (iii) are not applicable.
- iv. The company has not granted any loans, made any investments or provided any security during the year. The company has complied with the provisions of the section 186 of the Act in respect of guarantee issued during the year.
- 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, 2020 for a period of more than six month from the date they became payable;
- (b) The details of 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 Statute	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	1.05	FY 1998-99	Assistant Commissioner, Chennai – II, Commissionerate
2	Central Excise Act, 1944	Excise Duty	1898.62	FY2011-12 to 2013-14	Supreme Court
3	Central Excise Act, 1944	Excise Duty	66.24	FY 2011-12	Customs, Excise, Service Tax Appellate Tribunal (CESTAT)
4	Customs Act, 1962	Customs	48.14	FY 2011-12	CESTAT
5	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax (VAT)	64.70	FY 2006-07 to 2008-09	Assistant Commissioner (CT), Washermanpet II
6	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax (VAT)	73.46	FY 2009-10 to 2013-14	Sales Tax Appellate Tribunal, Tamil Nadu
7	Kerala Value Added Tax	Value Added Tax (VAT)	67.96	FY 2011-12, 2012-13, 2013-14 & 2015 -16.	Deputy Commissioner Appeals, Ernakulam

viii. On the 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

UDIN: 20211414AAAADF3770

Place: Chennai

Date: June 12, 2020

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, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued

INDEPENDENT AUDITOR'S REPORT

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, 2020, 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

UDIN: 20211414AAAADF3770

Place: Chennai

Date: June 12, 2020.

BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lakhs

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	1	13,330.16	12,839.07
(b) Capital Work-in-Progress		231.35	652.76
(c) Other Intangible Assets	2	3,564.21	3,877.33
(d) Intangible Assets Under Development		65.85	-
(e) Financial Assets			
(i) Investments	3	18.40	23.31
(ii) Other Financial Assets	4	184.31	107.60
(f) Deferred Tax Assets (Net)	5.1	224.64	136.29
(g) Non Current Tax Asset (Net)	6	212.96	-
(h) Other Non- Current Assets	7	109.05	23.59
Current Assets			
(a) Inventories	8	17,011.86	14,210.29
(b) Financial Assets			
(i) Trade Receivables	9	11,693.72	11,705.82
(ii) Cash and Cash Equivalents	10	80.24	327.68
(iii) Bank Balances other than (ii) above	11	368.42	655.34
(iv) Other Financial Assets	12	567.76	445.67
(c) Current Tax Assets (Net)	13	44.46	48.21
(d) Other Current Assets	14	1,502.82	1,330.89
Total Assets		49,210.21	46,383.85
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	1,787.96	1,787.96
(b) Other Equity	16	17,480.12	17,153.58
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	17	3,230.44	3,940.01
(ii) Other Financial Liabilities	18	339.25	277.66
(b) Deferred Tax Liabilities (Net)	5.1	-	-
Current Liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowings	19	12,686.81	10,433.68
(ii) Trade Payables			
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises; and	20	531.90	49.33
b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	20	10,217.84	9,889.72
(iii) Other Financial Liabilities	21	1,427.74	1,526.35
(b) Other Current Liabilities	22	558.76	581.26
(c) Short Term Provisions	23	856.01	648.23
(d) Current Tax Liabilities (Net)	24	93.38	96.07
Total Equity and Liabilities		49,210.21	46,383.85

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: 12.06.2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Note No	Year Ended Mar 31, 2020	Year Ended Mar 31, 2019
I Revenue from Operations	25	67,869.50	65,198.32
II Other Income	26	145.68	204.93
III Total Income (I+II)		68,015.18	65,403.25
IV Expenses			
Cost of Materials Consumed	27	31,053.58	31,663.55
Purchase of Stock in Trade		10,492.86	9,760.49
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	(2,527.98)	(2,422.35)
Employee Benefits Expense	29	7,885.46	7,014.65
Finance Costs	30	2,413.41	2,245.12
Depreciation and Amortisation	31	1,393.74	1,289.27
Other Expenses	32	16,891.31	14,613.24
Total Expenses (IV)		67,602.38	64,163.97
V Profit Before Exceptional Items and Tax (III- IV)		412.80	1,239.28
VI Exceptional Items		-	-
VII Profit Before Tax (V- VI)		412.80	1,239.28
VIII Tax Expense			
- Current Tax		64.92	260.11
- Deferred Tax		(50.02)	21.91
Total Tax Expense		14.90	282.02
IX Profit for the Year (VII- VIII)		397.90	957.26
X Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plan Actuarial Gains / (Losses)		(109.69)	(56.79)
Income Tax expense on above	5.2	38.33	19.84
		(71.36)	(36.95)
XI Total Comprehensive Income for the Year (Comprising Profit and other comprehensive Income for the Year) (IX+ X)		326.54	920.31
XII Earnings Per Equity Share (Face Value of ₹10 each)	42		
(1) Basic ₹		1.83	5.15
(2) Diluted ₹		1.83	5.15

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: 12.06.2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

₹ in Lakhs

Particulars	Year Ended 31.03.2020 Audited	Year Ended 31.03.2019 Audited
Cash Flows from Operating Activities		
Profit Before Tax	412.80	1,239.28
Adjustments:		
Interest Income	(32.89)	(27.16)
Loss on Sale of Fixed Assets (Net)	6.98	4.52
Adjustment for Other Comprehensive Income (OCI)	(109.69)	(56.79)
Interest Expense	2,413.41	2,245.12
Provision for Bad & Doubtful Debts	106.50	39.45
Provision for Warranty	560.30	490.84
Provision for Employee Benefits	123.03	139.62
Depreciation and Amortization	1,393.74	1,289.27
Other Non Cash Items	(10.01)	(25.12)
Operating Cash Flow before Working Capital Changes	4,864.17	5,339.03
Changes in		
Decrease/(Increase) In Trade Receivables	(66.26)	1,310.49
Decrease/(Increase) In Inventory	(2,801.57)	(1,696.92)
Decrease/(Increase) In Other Current Financial Asset(s)	173.60	(161.62)
Decrease/(Increase) In Other Current Asset(s)	(171.93)	55.90
Decrease/(Increase) In Other Non-Current Financial Assets	(76.71)	138.72
Decrease/(Increase) In Other Non-Current Asset	-	-
(Decrease)/Increase In Trade Payables Current	803.23	4,351.55
(Decrease)/Increase In Other Current Liabilities	(22.50)	(244.61)
(Decrease)/Increase In Other Financial Liabilities	(199.63)	1.44
(Decrease)/Increase In Short Term Provisions Current	(475.55)	(522.32)
Decrease/(Increase) In Other Non-Current Financial Liabilities	61.59	13.00
Income Taxes paid (net)	(276.82)	(342.62)
Cash Generated from / (used in) Operations	1,811.62	8,242.04
Cash Flows from Investing Activities		
Purchase of Fixed Assets / Capital Work-in-progress including Capital advances	(1,320.27)	(1,920.60)
Proceeds from Sale of Fixed Assets	11.67	25.69
Non Current Investments	-	(10.00)
Interest Received	24.12	27.16
Net Cash Generated from/(used in) Investing Activities	(1,284.48)	(1,877.75)
Cash Flows from Financing Activities		
Proceeds from Long Term Borrowings	413.46	941.65
Repayment of Long Term Borrowings	(1,027.06)	(2,260.90)
Net increase / (decrease) in Short Term Borrowings	2,253.13	(4,103.14)
Interest Paid	(2,413.41)	(2,245.12)
Net Cash used in Financing Activities	(773.88)	(7,667.51)
Effect of Exchange Rate on Translation of Foreign Currency Cash and Cash Equivalents (Loss) / Gain	(0.70)	0.48
Increase in Cash and Cash Equivalents	(246.74)	(1,303.22)
Cash and Cash Equivalents at the Beginning of the Year	327.68	1,630.42
Cash and Cash Equivalents at the End of the Period/Year	80.24	327.68
Components of Cash and Cash Equivalents (Refer Note 10)		
Cash on Hand including Bullions on Hand	32.69	24.08
Balances with Banks	47.55	303.60
Total Cash and Cash Equivalents	80.24	327.68

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: 12.06.2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

A. Equity Share Capital	
As at April 01, 2018	1,787.96
Changes in Equity Share Capital during the year	-
As at March 31, 2019	1,787.96
Changes in Equity Share Capital during the year	-
As at March 31, 2020	1,787.96

B. Other Equity

For the year ended March 31, 2020

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, 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
Total Comprehensive Income for the Year	-	-	-	-	397.90	-	-	397.90
Other Comprehensive Income for the Year	-	-	-	-	-	-	(71.36)	(71.36)
Balance as at March 31, 2020	538.56	9,701.53	1.73	142.10	7,072.67	80.08	(56.55)	17,480.12

* 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: 12.06.2020

V.M.LAKSHMINARAYANAN

Chairman & Managing Director

V.M.SESHADRI

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, 2020
1 - Property Plant and Equipment

₹ in Lakhs

Description	Land - Free Hold	Buildings	Plant and Equipment	Tools and Dies	Electrical Installations and Equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures	Total
As at April 01, 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
Additions during the year	-	32.49	463.84	865.74	33.96	45.88	10.57	111.58	25.46	1,589.52
Deletions during the year	-	-	-	-	-	(0.24)	-	(83.02)	-	(83.26)
As at March 31, 2020	4,020.02	3,235.56	3,945.67	3,198.25	513.34	250.95	172.42	769.06	863.30	16,968.57
Depreciation										
As at April 01, 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
Charge for the year	-	123.90	305.98	355.10	54.23	32.68	17.40	94.42	96.06	1,079.77
Deletions during the year	-	-	-	-	-	(0.23)	-	(64.37)	-	(64.60)
As at March 31, 2020	-	479.06	985.38	1,084.06	198.42	140.22	100.82	246.75	403.70	3,638.41
Net Book Value										
As at March 31, 2020	4,020.02	2,756.50	2,960.29	2,114.19	314.92	110.73	71.60	522.31	459.60	13,330.16
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

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

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

1.3. Following are the changes in the carrying value of ROU for the year ended March 31, 2020.

Description	Plant and Equipment
As at April 01, 2019	-
Add: Additions during the year	89.00
Less: Depreciation for the year	1.49
As at March 31, 2020	87.51

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

2 - Other Intangible Assets

Description	Usage Right of Trade Mark	Trade Mark and License	Computer Software	Total
As at April 01, 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
Additions during the year	-	-	0.85	0.85
As at March 31, 2020	176.00	4,297.50	418.72	4,892.22
Amortization				
As at April 01, 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
Amortization for the year	16.00	238.75	59.22	313.97
As at March 31, 2020	64.00	955.00	309.01	1,328.01
Net Book Value				
As at March 31, 2020	112.00	3,342.50	109.71	3,564.21
As at March 31, 2019	128.00	3,581.25	168.08	3,877.33

3 - Investments - Non Current

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in Mutual Funds	18.40	23.31
Total	18.40	23.31

3.1 Aggregate amount of Quoted Investments

- Cost	20.00	20.00
- Market Value	18.40	23.31

4 - Other Financial Assets - Non Current

Particulars	As at March 31, 2020	As at March 31, 2019
Long Term Security Deposit	126.12	107.60
Bank Balances held as Margin Money	58.19	-
Total	184.31	107.60

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
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, 2020	As at March 31, 2019
Deferred Tax Liability		
Property, Plant and Equipment	1,909.96	1,821.51
Others	0.78	0.03
Right of Use Assets	30.58	-
Remeasurements of defined benefit plan actuarial gains/ (losses) - OCI	-	6.83
Sub Total	1,941.32	1,828.37
Deferred tax Assets		
Brought forward Business Losses	1,521.55	1,222.85
Provision for Bad and Doubtful Debts	149.12	111.91
MAT Credit Entitlement	337.28	337.28
Remeasurements of defined benefit plan actuarial gains/ (losses) - OCI	31.50	-
Employee Benefits	100.55	111.86
Provision for Warranty	-	180.76
Lease Liability (ROU Assets)	25.96	-
Sub Total	2,165.96	1,964.66
Net Deferred Tax Assets / (Liabilities)	224.64	136.29

Movement in Deferred Tax balances during the year ended March 31, 2020

Particulars	Balance as at April 01, 2019	Recognised in Profit & Loss	Recognised in OCI	Balance as at March 31, 2020
Property, Plant and Equipment	(1,821.51)	(88.45)	-	(1,909.96)
Others	(0.03)	(0.75)	-	(0.78)
Right of Use Assets	-	(30.58)	-	(30.58)
Brought forward Business Losses	1,222.85	298.70	-	1,521.55
Provision for Bad and Doubtful Debts	111.91	37.21	-	149.12
MAT Credit Entitlement	337.28	-	-	337.28
Remeasurement of Defined Benefit Plan	(6.83)	-	38.33	31.50
Employee Benefits	111.86	(11.31)	-	100.55
Provision for Warranty	180.76	(180.76)	-	-
Lease Liability (ROU Assets)	-	25.96	-	25.96
Total	136.29	50.02	38.33	224.64

Unrecognised Deferred Tax Assets

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

Particulars	As at March 31, 2020	As at March 31, 2019
Unutilised tax credit	438.59	364.83
Unutilised tax losses	-	171.96
Total	438.59	536.79

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
5.2 Tax Recognised in Other Comprehensive Income

₹ in Lakhs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Defined benefit plan Actuarial Gains (Losses)	38.33	19.84
Total	38.33	19.84

5.3 Reconciliation of Effective Tax Rates

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit Before Tax	412.80	1,239.28
Enacted tax Rate (under Normal Provisions)	33.38%	31.20%
Enacted tax Rate (under MAT)	16.69%	21.55%
Computed Expected Tax Expenses - Normal Provision*	137.81	386.66
Computed Expected Tax Expenses - MAT**	68.90	267.06
Non-deductible expenses	17.78	9.74
Ind AS Transition Adjustment	(3.45)	(4.45)
OCI Income / (Expenses)	(18.31)	(12.24)
Current Tax	64.92	260.11
Deferred Tax	(88.35)	2.07
Tax Expenses for the year	(23.43)	262.18

* Tax payable under the normal provisions is ₹ 9.87 Lakhs (PY ₹ 17.32 Lakhs) for the year ended 31.03.2020 after setting of the unabsorbed accumulated losses to the extent ₹ 201.66 Lakhs allowed u/s 72 of Income Tax Act, 1961 balance unabsorbed loss carried forward ₹ 4,354.72 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 - Non Current Tax Asset (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax payments pending adjustment (net of provisions of ₹ 64.92 lakhs)	212.96	-
Total	212.96	-

7 - Other Non Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	109.05	23.59
Total	109.05	23.59

8 - Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials and Components (Refer 8.1 below)	4,616.06	4,370.63
Work in Progress	1,245.11	1,267.79
Finished Goods	7,042.71	4,547.12
Traded Goods (Refer 8.2 below)	3,889.59	3,834.52
Consumables	210.77	178.78
Stores	7.62	11.45
Total	17,011.86	14,210.29

8.1 Includes Goods in Transit

79.40

-

8.2 Includes Goods in Transit

70.38

-

Write-downs of inventories to net realisable value amounted to ₹ 3.35 lakhs (P.Y ₹ 37.80 lakhs) was recognized as an expense during the year

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

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Considered Good - Secured	192.84	240.87
Considered Good - Unsecured	11,130.69	11,073.89
Have Significant increase in Credit Risk	91.27	85.70
Credit impaired	325.07	245.00
Retention Money Receivable - Unsecured Considered Good	380.66	380.66
Less:		
Impairment for Trade Receivable under expected credit loss model	426.81	320.30
Total	11,693.72	11,705.82

10 - Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
i) Balances with Banks	47.55	303.60
ii) Cash on Hand (Refer Note 10.1 below)	32.69	8.21
iii) Bullion on Hand	-	15.87
Total	80.24	327.68

 10.1 Includes INR equivalent of Foreign Currency 3.12 4.47
11 - Bank Balances other than in 10 (i) above

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Balances held as Margin Money	351.20	626.66
Unpaid Dividend account	17.22	28.68
Total	368.42	655.34

12 - Other Current Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good		
- Loans and Advances	390.18	297.04
Accrued Interest	12.67	3.90
Deposits with Authorities	164.91	144.73
Total	567.76	445.67

13 - Current Tax Asset

Particulars	As at March 31, 2020	As at March 31, 2019
Refund Receivable	44.46	48.21
Total	44.46	48.21

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

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured Considered Good		
Balance with Government Authorities	569.16	745.85
Prepaid Expenses	134.36	124.29
Advances to Suppliers	777.42	440.81
Others	21.88	19.94
Total	1,502.82	1,330.89

15 - Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
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

15.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning of the year	1,78,79,551	1,787.96	1,78,79,551	1,787.96
(+) Issued during the year	-	-	-	-
(-) Redeemed during the year'	-	-	-	-
Outstanding at the end of the year	1,78,79,551	1,787.96	1,78,79,551	1,787.96

15.2 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.

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	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%
Mr.V.M.Lakshminarayanan	10.01	5.60%	10.01	5.60%
Reliance Alternative Investments Fund -Private Equity Scheme -I	-	-	10.01	5.60%
Total	88.07	49.26%	98.08	54.86%

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
16 Other Equity

₹ in Lakhs

For the year ended March 31, 2020

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, 2019	538.56	9,701.53	1.73	142.10	80.08	14.81	17,153.58	
Total Comprehensive Income for the Year	-	-	-	-	-	-	397.90	
Other Comprehensive Income for the Year	-	-	-	-	-	(71.36)	(71.36)	
Balance as at March 31, 2020	538.56	9,701.53	1.73	142.10	80.08	(56.55)	17,480.12	

For the year ended March 31, 2019

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, 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 Gandharam 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, 2020

17 - Long Term - Borrowings

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Term Loan		
(i) Secured		
- Banks	1,542.03	2,208.09
- Others	1,402.47	1,116.96
(ii) Unsecured		
- Other than Banks	1,402.00	1,630.00
Less: Current Maturities of Long term Debts	1,116.06	1,015.04
Total	3,230.44	3,940.01

I 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 3 to 15 years.

II 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:

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

18 - Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Security Deposits from Customers	276.66	277.66
Lease Liability	74.30	-
Less: Current Maturities of Lease Liability	11.71	-
Total	339.25	277.66

19 - Short Term Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Demand Loans from Banks (Refer note 19.1 below)	12,686.81	10,433.68
Total	12,686.81	10,433.68

19.1 Secured by hypothecation by way of a first charge on Inventories, book debts, present and future and collateral paripassu charge of Land and Buildings and also by the paripassu second charge on other Fixed Assets 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, 2020
20 - Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
- Dues to Micro and Small Enterprises (Refer note 20.1 below)	531.90	49.33
- Others (Refer note 20.2 below)	10,217.84	9,889.72
Total	10,749.74	9,939.05

20.1 Details as required under MSME Act, 2006 - refer note 39

20.2 Details with respect to Related Parties details are disclosed in note 45

21 - Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Debt	1,116.06	1,015.04
Current Maturities of Lease Liability	11.71	-
Unclaimed Dividends	17.22	28.68
Payable to Employees	282.75	482.63
Total	1,427.74	1,526.35

22 - Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities	136.23	137.62
Advance from Customers	385.96	410.31
Others	36.57	33.33
Total	558.76	581.26

23 - Short Term Provision

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits	253.93	130.90
Provision for Warranty	602.08	517.33
Total	856.01	648.23

24 - Current Tax Liabilities (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax	93.38	348.13
Less: Advance Tax and Tax Deducted at Source	-	252.06
Total	93.38	96.07

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
25 - Revenue From Operations

₹ in Lakhs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of Products	67,428.04	64,690.44
Scrap Sales	441.46	507.88
Total	67,869.50	65,198.32

26 - Other Income

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Change in fair value of Financial Assets	-	3.05
Interest income from Financial Assets measured at Amortised cost	32.89	79.80
Exchange Fluctuation (Net)	27.26	-
Other Non-Operating Income	85.53	122.08
Total	145.68	204.93

27 - Cost of Materials Consumed

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Stock		
Raw Materials and Components	4,370.63	5,158.81
Consumables	178.78	127.48
Add: Cost of		
Raw Materials and Components	28,978.73	28,694.87
Processing Charges	1,369.97	1,156.07
Consumables	832.67	901.37
Freight Inward	149.63	174.36
Less: Closing Stock		
Raw Materials and Components	4,616.06	4,370.63
Consumables	210.77	178.78
Total	31,053.58	31,663.55

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

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Balance		
Work in Progress	1,267.79	768.26
Finished Goods / Stock in Trade	8,381.64	6,458.82
Less Closing Balance		
Work in Progress	1,245.11	1,267.79
Finished Goods / Stock in Trade	10,932.30	8,381.64
Total	(2,527.98)	(2,422.35)

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
29 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, Wages, Bonus etc. (including payment to contractors)	6,674.28	5,967.73
Contribution to Provident and Other Funds	495.27	428.39
Staff Welfare Expenses	715.91	618.53
Total	7,885.46	7,014.65

30 - Finance Cost

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest cost on Financial Liabilities measured at Amortized cost	2,079.26	1,979.10
Unwinding of the Discount on Financial Assets	-	7.69
Others	334.15	258.33
Total	2,413.41	2,245.12

31 - Depreciation and Amortisation

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation / Amortisation for the year		
- Tangible Assets	1,079.77	964.11
- Intangible Assets	313.97	325.16
Total	1,393.74	1,289.27

32 - Other expenses

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Power and Fuel	744.88	748.19
Rent	337.42	331.51
Repairs and Maintenance		
- Buildings	12.99	4.47
- Machinery	200.62	56.73
- Others	440.45	358.49
Freight Outward	3,456.89	2,538.19
Ware House Charges	987.96	699.81
Insurance	45.16	42.20
Rates and Taxes	139.73	176.31
Travel and Conveyance	1,043.64	1,124.06
Communication	61.43	61.27
Payment made to Auditors (Refer Note: 32.1 Below)	17.49	19.55
Professional and Consultancy Charges	273.30	280.99
Advertisement, Publicity and Sales Promotion Expenses	6,476.58	5,420.79
Cash Discount	221.56	177.43
Sales Commission	973.89	1,306.81
Service Centre Expenses	519.21	398.38
Director's Sitting Fees	24.00	17.70
Exchange Loss (Net) / Forward Contract Premium	-	56.25
Provision for Doubtful Debts	106.50	39.45
Miscellaneous Expenses	807.61	754.66
Total	16,891.31	14,613.24

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
Note 32.1 Payment made to Auditors

₹ in Lakhs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
a) As Statutory Auditor		
i. Audit Fees	15.00	15.00
ii. Other Services	0.25	1.05
iii. Out of Pocket Expenses	0.31	1.59
b) As Cost Auditor		
i. Audit Fees	1.75	1.75
ii. Out of Pocket Expenses	0.18	0.16
Total	17.49	19.55

33. 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'

34. Significant Accounting Policies
34.1 Basis of Preparation of Financial Statements
34.1.1 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, 2020 have been prepared in accordance with Ind AS's notified under Section 133 of the Companies Act, 2013 ('the Act'), Companies (Indian Accounting Standards) Rules, 2015, other relevant provision of the Act and amendments there to.

34.1.2 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.

34.1.3 Current / Non Current classification

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash

equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. 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.

34.1.4 Functional and Presentation currency

Items included in the Financial Statements of the Company are measured and presented using the currency of the primary economic environment in which the Company operates ("Functional Currency") . Indian Rupee is the functional Currency of the Company.

34.2 Revenue recognition
34.2.1 Revenue from Sale of Goods / Services

Sales are stated at net of returns and taxes on sales. Revenue from sale of goods / services are recognised on satisfaction of performance obligations and at transaction price as per the terms of the contract with customers.

34.2.2 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.

34.3 Property Plant and Equipment
34.3.1 Tangible Assets

All property plant and equipment are stated at historical cost of acquisition less accumulated depreciation and impairment, if any. Historical cost includes purchase price, taxes and duties (net of tax credits), labour cost and directly attributable

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

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.

34.3.2 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	6 - 10 years
Usage Right of Trade Mark/Trade Mark and Licence	20 - 25 years.

34.3.3 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.

34.4 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.

34.5 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

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

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.

34.6 Foreign Currency Translation

34.6.1 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 - ₹)

34.6.2 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.

34.7 Inventories

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

34.7.2 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.

34.8 Employee Benefits

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

34.8.2 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.

34.8.3 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.

34.9 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

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

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.

34.10 Provisions and Contingent Liabilities

34.10.1 Provisions

A provision is recorded when the Company has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. A provision is reversed when it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provision for warranty claims is recognised at the time of sale based on the historical experience. Initial estimate of warranty expense is reviewed annually

34.10.2 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.

34.11 Leases

The Company's leases primarily consist of leases for certain plant and machinery, Vehicles and Go-down. The Company, being a lessee, assesses whether a contract contains a lease, at inception of a contract. Company recognises Right of Use Asset and lease liability only when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

For the short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

34.12 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.

34.13 Financial Assets

34.13.1 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

34.13.2 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.

34.13.3 Subsequent Measurement

Investments

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

34.13.4 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

34.13.5 Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. **Note 37.2** 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

34.13.6 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.

34.14 Financial Liabilities

34.14.1 Classification

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

34.14.2 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.

34.14.3 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.

34.14.4 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
34.14.5 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.

34.15 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.

34.16 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.

34.17 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 statement of profit and loss.

34.18 Segment Information

The Company has identified "Domestic Appliances" as a only reportable segment based on the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

34.19 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.

34.20 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

34.21 Critical Estimates and Judgements

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date and reported revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

35. Other Financial Information
35.1 Contingent Liabilities:

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

(₹ in Lakhs)

Nature of Statute	As at March 31, 2020	As at March 31, 2019
Central Excise / Customs (of which ₹ 23.78 (PY ₹ 31.83) have been paid under protest)	2,014.05	2,112.29
VAT / Sales Tax (of which ₹ 27.60 (PY ₹ 22.59 lakhs) have been paid under protest)	206.11	216.62
Employee State Insurance and Labour matter (of which ₹ 26.88 (PY ₹ 26.88) have been paid under protest)	73.75	76.91
Total	2,293.91	2,405.82

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
35.1.2 Other Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
First Loan Default Guarantee (FLDG)	1,000.00	-
Total	1,000.00	-

35.2 Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Commitments (net of advance)	50.82	47.78

36 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, 2020)

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	-	18.40	-
Other Non- Current Financial Assets	184.31	-	-
Current Trade Receivables	11,693.72	-	-
Cash & Cash Equivalents	80.24	-	-
Other Bank Balances	368.42	-	-
Other Financial Assets	567.76	-	-
Liabilities:			
Long term Borrowings	3,230.44	-	-
Other Non- Current Financial Liabilities	339.25	-	-
Short Term Borrowings	12,686.81	-	-
Trade Payables	10,749.74	-	-
Other Current Financial Liabilities	1,427.74	-	-

(₹ 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	-	-

36.2 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).

36.3 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

Use of quoted market prices for Listed instruments

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
36.4 The following tables present fair value hierarchy of Assets and Liabilities measured at fair value:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020				For the year ended March 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Mutual Funds	18.40	-	-	18.40	23.31	-	-	23.31
Bullion on Hand		-	-		15.87	-	-	15.87

37. Financial Risk Management

(₹ in Lakhs)

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.

37.1 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.

37.1.1 Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, other comprehensive income and equity.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Currently the Company follows a policy of hedging 100% of its trade payables. On an overall basis, the Company has hedged 16.29% 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD	4.09	13.91	7.28	8.39
GBP	-	-	0.16	0.33

(₹ in Lakhs)

USD sensitivity at year end	As at March 31, 2020	As at March 31, 2019
Receivables:		
Weakening of INR by 5%	27.43	29.00
Strengthening of INR by 5%	(27.43)	(29.00)
Payables:		
Weakening of INR by 5%	(15.43)	(48.10)
Strengthening of INR by 5%	15.43	48.10

GBP sensitivity at year end	As at March 31, 2020	As at March 31, 2019
Receivables:		
Weakening of INR by 5%	0.76	1.50
Strengthening of INR by 5%	(0.76)	(1.50)

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

37.1.2 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, 2020	As at March 31, 2019
Fixed Rate Instruments		
Financial Asset		
Margin Money with Bank	409.39	626.66
Financial Liabilities		
Term Loan from Bank / Others	4,346.50	4,955.05
Variable Rate Instruments		
Short Term Borrowings	12,686.81	10,433.68

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:

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Expenses arising on account of variable rate of interest on short term borrowings	1185.79	1,196.66
Impact on Interest Cost:		
Increase in 100 basis point (Increase in Interest Cost)	(118.30)	(126.32)
Decrease in 100 basis points (Decrease in Interest Cost)	118.30	126.32

37.2 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 ₹ 11,693.72 lakhs and ₹ 11,705.82 lakhs as of March 31, 2020 and March 31, 2019, 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	-	0.35%	30.07%

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, 2020		As at March 31, 2019	
	Gross	Impairment	Gross	Impairment
Within the credit period	3,051.70	-	4,890.69	-
0 to 180 days	7,353.26	25.45	6,029.17	14.14
More than 180 days	1,334.91	401.35	714.53	306.16

Movement in Provision for Doubtful Debts	Amount
As at April 01, 2019	320.30
Add: Provided for the year	106.50
Less: Utilization for the year	-
As at March 31, 2020	426.80

37.3 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs as of March 31, 2020)

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	560.34	557.97	1,501.46	746.36	980.37	4,346.50
Short Term Borrowings	12,686.81	-	-	-	-	12,686.81
Security Deposits	-	-	-	-	276.66	276.66
Trade Payables	10,749.74	-	-	-	-	10,749.74
Other Financial Liabilities	299.97	-	-	-	-	299.97
Lease Liability	5.66	6.05	28.64	33.95	-	74.30

(₹ 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	1,287.08	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

38. 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, 2020 is ₹19,268 Lakhs. (Previous Year: ₹18,942 Lakhs).

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Debt	17,033.31	15,388.73
Total Equity	19,268.07	18,941.54
Debt to equity ratio	0.88	0.81

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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Principal amount due to Suppliers under the Act	531.90	49.33
b. Interest accrued and due to Suppliers under the Act, on the above amount	1.07	-

Particulars	As at March 31, 2020	As at March 31, 2019
c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	-	-
d. Interest paid to Suppliers under the Act (Other than Section 16)	-	-
e. Interest paid to Suppliers under the Act (Section 16)	-	-
f. Interest due and payable to suppliers under the Act, for payments already made	-	-
g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	-	-

This information has been given in respect of such vendors to the extent they could be treated as 'Micro and Small Enterprises' on the basis of information available with the Company on which the Auditors have relied upon.

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

40.1 General description of various defined employee's benefits schemes are as under:

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
a) Provident Fund:

The Company's Provident Fund (defined contribution fund) is managed by Regional Provident Fund Commissioner. The Company pays fixed contribution to provident fund at pre-determined rate.

b) Gratuity:

Gratuity is a defined benefit plan, in respect of past services provided by the employees is quantified based on the actuarial valuation.

The scheme is funded by the Company and the liability is recognized on the basis of contribution payable to the insurer. Disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

The summarized position of various defined benefits recognized in the Statement of Profit and Loss, Other Comprehensive Income (OCI) and Balance Sheet and other disclosures are as under:

Movement in Defined Benefit Obligation:

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Defined Benefit Obligation - Beginning of the year	765.50	622.85
Current Service Cost	91.60	86.64
Interest Cost	56.89	46.28
Past Service Cost	--	--
Benefits Paid	(37.65)	(45.15)
Re-measurements - Actuarial Loss / (Gain)	111.36	54.88
Defined Benefit Obligation - End of the year	987.70	765.50

Movement in Plan Asset:

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Fair value of Plan Assets at Beginning of year	634.59	555.94
Employer Contributions	85.00	81.45
Benefits Paid	(37.65)	(45.15)
Re-measurements - Return on Plan Assets	50.16	44.26
Re-measurements - Actuarial (Loss) / Gain	1.67	(1.91)
Fair value of Plan Assets at end of year	733.77	634.59

Amount Recognized in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Current Service Cost	91.60	86.64
Curtailment Cost/(Credit)	-	-
Net Interest on Net Defined Benefit Liability / (Assets)	6.74	2.02
Past Service Cost	-	-
Cost Recognized in Profit and Loss	98.34	88.66

Amount recognized in Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Actuarial (Gain) / Loss due to assumption changes	111.36	54.88
Difference between Actual Return and Interest Income on Plan Assets- (Gain) / Loss	(1.67)	1.91
Actuarial (Gain) / Loss recognized in OCI	109.69	56.79

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
Sensitivity Analysis

Assumption	Change in Assumption	As at March 31, 2020	As at March 31, 2019
Discount Rate	+0.50%	(51.21)	(35.77)
	-0.50%	55.81	38.91
Salary Growth Rate	+0.50%	51.28	36.55
	-0.50%	(47.55)	(33.87)

Actuarial Assumption

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	6.64%	7.62%
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	14.8 Years

Expected Benefit Payments

(₹ in Lakhs)

S.No.	Year of payment	As at March 31, 2020	As at March 31, 2019
1	Year 1	39.06	32.47
2	Year 2	91.79	156.43
3	Year 3	45.97	51.01
4	Year 4	95.54	37.86
5	Year 5	60.78	65.93
6	Next 5 Years	370.54	253.97

Category of Investment in Plan Assets

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

41. 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 derived revenues from one customer which amount to more than 10 per cent of Company's revenues, the details are given below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
No of Customer	1	-
Revenue	9,669.40	-

42. 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, 2020	For the year ended March 31, 2019
Profit for the year, attributable to the owners of the Company	₹ 326.54 Lakhs	₹ 920.31 Lakhs
Earnings used in calculation of basic earnings per share(A)	₹ 326.54 Lakhs	₹ 920.31 Lakhs
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	1,78,79,551	1,78,79,551
Basic EPS = (A/B) (Face Value of Rs.10 per share)	₹ 1.83	₹ 5.15

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
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, 2020	For the year ended March 31, 2019
Profit for the year, attributable to the owners of the Company	₹326.54Lakhs	₹920.31Lakhs
Earnings used in calculation of basic earnings per share(A)	₹326.54Lakhs	₹920.31Lakhs
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	1,78,79,551	1,78,79,551
Diluted EPS = (A/B) (Face Value of Rs.10 per share)	₹1.83	₹5.15

43. 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, 2019	Additions during the year	Utilization during the year	Reversal during the year	Balance as at March 31, 2020
Provision for Warranty	517.33	560.27	475.52	-	602.08

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

(₹ in Lakhs)

Particulars	As at April 01,2019	Proceeds	Repayments	Fair Value changes*	As at March 31,2020
Term Loan from Bank	2,208.09	60.89	(732.00)	5.05	1,542.03
Term Loan from Others	2,746.96	352.57	(295.06)	-	2,804.47
Total	4,955.05	413.46	(1,027.06)	5.05	4,346.50

*Non Cash Movement

(ii) Short Term Borrowings

(₹ in Lakhs)

Particulars	As at April 01,2019	Cash Flow	Foreign exchange Movement	As at March 31,2020
Working capital facilities	10,433.68	2,253.13	-	12,686.81
Other short term Borrowings	-	-	-	-
Total	10,433.68	2,253.13	-	12,686.81

45. 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.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, 2020
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

Sivagurunathan Industries
 East West Combined Industries
 Mrinalini Industries
 Bean and Leaf Beverages Private Limited
 H&S Supply Chain Solution Private Limited
 Chrysalis Home Needs Private Limited
 Rishaba Industries LLP
 B Cube Ventures LLP

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term employee benefits (Remuneration)	416.16	260.10
Post-employment benefits (PF)	43.40	26.01
Total	459.56	286.11

Particulars	As at March 31, 2020	As at March 31, 2019
Payable	31.41	54.33

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration and Short-term Benefits	54.22	128.66
Post-employment benefits	3.03	5.36
Total	57.25	134.02

* Till 31.08.2018

Note: As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individuals is not ascertainable and therefore not included above.

Particulars	As at March 31, 2020	As at March 31, 2019
Payable	1.73	2.68

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

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, 2020	For the year ended March 31, 2019
1	Purchase of Goods	2,052.15	1,215.80
2	Services Received	3,865.90	2,402.12
	– Warehousing	857.17	579.36
	– Freight	2,730.11	1,822.76
	– Others	278.62	-
3	Sales and Services	115.82	114.88
	Total	6,033.87	3,732.80

b) Outstanding balances: (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivable	-	-
Payable	363.62	73.92

c) Remuneration & Perquisites to Relatives of KMP

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration and Short-term benefits	159.84	144.00
Post-employment benefits	16.70	14.40
Total	176.54	158.40

Note: As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individuals is not ascertainable and therefore not included above.

d) Outstanding balances: (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Payable	12.03	16.05

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

46. Details of CSR Expenditure

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Gross amount required to be spent during the Year	-	-

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	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 the company has spent ₹ 14.72 lakhs for CSR activities including CSR obligations of earlier year.

47. As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, the Company had suspended operations across various locations w.e.f. 23/03/2020, adversely impacting the business during the quarter. The Company has been taking various precautionary measures to protect employees and their families from COVID-19 including allowing the employees to Work From Home (WFH) wherever it was feasible.

The Company expects to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on information available on current economic conditions. Company's liquidity positions are continuously monitored and managed based on the close monitoring of collections from the customers and credit lines from the Banks and Financial Institutions. Company don't foresee any constraints in servicing its debts as its products' supply chain and sales are gradually resuming to normal. However, the Company is continuously monitoring any material changes in future economic conditions.

Operations have been resumed in a phased manner at various locations from 08/05/2020, taking cognizance of the Governments' views around resuming manufacturing activities with controlled entry and exit facilities, and after obtaining necessary permissions in this behalf.

48. 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 12th June 2020.

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 : 12.06.2020

R.NAGARAJAN
 Chief Financial Officer

PRODUCT GALLERIA

GLASS TOP STOVES



SIGNATURE 3B



PRISM 3B



SIGNATURE 2B



PRISM 2B



DUO+



TRIO+

SS STOVES



MATCHLESS



FRIENDLY



IGNITE

MIXER GRINDERS



DESIRE



MATCHLESS



SPECTRA



CYCLONE



OPAL



RUBY



STALLION

PRESSURE COOKERS



STANDARD PLUS



BLUELINE



ELEGANT PLUS



CUTE

TABLE TOP WET GRINDERS



MATCHLESS PLUS



PEERLESS



RHINO PLUS

FLASKS & WATER BOTTLES



FLASKS



SS WATER BOTTLES

TOWER FAN



WINDY+



Butterfly Gandhimathi Appliances Limited,
143, Pudupakkam Village, Vandalur Kelambakkam Road,
Chengalpet District - 603 103, Tamilnadu, India.
service@butterflyindia.com | www.butterflyindia.com