



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

June 28, 2021

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

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

Dear Sir,

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

This is with reference to our letter dated 14.6.2021 wherein the Company had informed that the 34th Annual General Meeting of the Company will be held on Thursday 29th July 2021 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 13.1.2021 read with circulars dated 5.5.2020, 13.4.2020 and 8.4.2020 and SEBI circular dated 15.1.2021 read with circular dated 12.5.2020.

Pursuant to the Regulation 34(1) of the Listing Regulation, we are enclosing the Annual Report 2021 of the Company along with the Notice of the AGM and other statutory reports for the financial year 2020-2021. The Annual Report 2021 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>.

Kindly treat this as in compliance with Listing Regulations.

Thanking you,

Yours faithfully,
For BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

V.M.SESHADRI
Managing Director

Regd.Office: 143,Pudupakkam Village,Vandalur - Kelambakkam Road,Kelambakkam - 603 103, Chengalpattu District,
Phone: +91-44-47415500 CIN No: L28931TN1986PLC012728,
E-mail:gm@butterflyindia.com web : www.butterflyindia.com

Corporate Office: E-34,II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur - 600 130. Chengalpattu District.
Phone: 044 - 49005100/5154, E- mail: butterflyho@butterflyindia.com

Butterfly Spirit

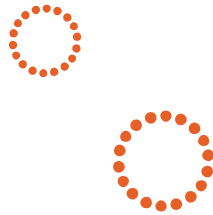




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Cautionary Statement

Certain Statements made in the Management Discussion and Analysis Report relating to the company’s objectives, projections, outlook, expectations, estimates and others may constitute ‘forward looking statements’ within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether expressed 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.

Butterfly Spirit

2020-21 - a year which added strength to the Butterfly Spirit of overcoming challenges, exploring opportunities, launching innovative products and building new capabilities. A year, when possibilities took wing and daring to be different became more than a dream. A year, when we enlarged our geographical footprint, grew in size and recorded our highest growth. Anchored as always, to an unstinting commitment to quality, integrity, trust, transparency and accountability.



பட்டர்பிளையின் ஆற்றல்

2020-21 - பட்டர்பிளையின் உந்துதலுக்கு மேலும் வலிமையூட்டிய ஆண்டு. சவால்களை மேற்கொள்ளுதல், புதிய வாய்ப்புகளை ஆராய்ந்து அறிதல், புதிய திறன்களை வளர்த்துக் கொள்ளுதல் என பட்டர்பிளையின் உந்தாற்றலுக்கு மேலும் வலிமையூட்டிய ஓர் ஆண்டு. புதிய வாய்ப்புகள் சிறகடித்துப் பறக்க, வித்தியாசமாக இருப்பது வெறும் கனவாக மட்டும் இல்லாமல் நிஜமாக மாறிய ஆண்டு. நமது புவிதடத்தை வளர்த்து, நமது வளர்ச்சியின் உச்சகட்டத்தை அடைந்த ஓர் ஆண்டுகூட. தரம், நம்பிக்கை, நேர்மை, வெளிப்படைத்தன்மை, பொறுப்புணர்ச்சி போன்ற பண்புகளில் வேறானறி என்றென்றும் நிலைத்து நிலைக்கின்றோம்.

Corporate Information

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

COMPANY SECRETARY & GENERAL MANAGER - LEGAL

*Mr. K.S.Ramakrishnan

*Deceased on 18.5.2021

CHIEF FINANCIAL OFFICER

Mr. R.Nagarajan

REGISTERED OFFICE

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

STATUTORY AUDITORS

M/s. ASA & Associates LLP
Chartered Accountants,
Unit 709 & 710, 7th Floor,
'BETA Wing', Raheja Towers,
New Number 177,
Anna Salai, Chennai – 600 002.

COST AUDITORS

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

BANKERS

State Bank of India

IDBI Bank

IndusInd Bank

The South Indian Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENT

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

Chairman's Message



Dear Shareholders,

It is a great pleasure to present the Annual Report for FY 2020-21, especially as the Company forged ahead with a creditable performance, despite the challenges of an unprecedented scale wrought by the global pandemic.

The year was marked by the Company out performing all operating parameters, strengthening the balance sheet and implementing various strategic initiatives to build Butterfly as a Market Leader. As one of India's largest manufacturers of Household Appliances, Butterfly has emerged as a trusted brand to millions of customers across the country.

The year 2020 was marked by the devastation and downturn triggered by the Covid-19 pandemic across the world. According to IMF - World Economic Outlook, the Global Economy plummeted to - 3.3 per

cent with a sharp contraction in manufacturing across geographies in the first quarter of the year. The Indian Economy also plunged with GDP recording - 8 per cent on the back of decline in growth in core industry sectors and weak market demand. The impact of the pandemic and lockdown was however disproportionately felt across industries. While travel, tourism, entertainment, etc. fared badly, sale of essential goods including Household Appliances gained momentum.


The challenges of staggered operations coupled with weak market demand impacted growth in the first quarter of the year. However your Company displayed great resilience and agility to record a very strong performance. Capacity utilisation at the Plants was at a record high for the remaining three quarters to meet the burgeoning market

demand. Your Company accelerated the process of digitalization and laid the framework for better customer responsiveness and turn-around-time enhancing the ease of buying. On-line branded sales touched a new peak during the year contributing to a significant percentage of Net Sales.

We continued to expand our pan India presence, with a more robust omni channel network, accessing new markets for greater growth, with the Northern regions accounting for 24% of our total sales.

The Net Income of the Company during the year ended 31st March 2021 was ₹ 869.6 crores as against ₹ 678.7 crores for the year ended 31st March 2020. The Company made a Net Profit After Tax of ₹ 36.7 crores against the Net Profit of ₹ 3.3 crores for the previous year.



The Butterfly Spirit of adapting to change has always been a core strength. A strength, that has enabled the Company not only to be resilient but also to stay ahead of the curve. 

With the Government of India's focus on 'Aatma Nirbhar Bharat' and Productivity Linked Incentive (PLI), and tariff barriers to pre-empt cheap imports, domestic manufacturing and industry development has been given primary focus. This, together with the China + One programmes of Global manufacturers considering India as the next preferred destination, the potential for growth is considerable. So is the opportunity for Domestic Appliance Manufacturing.

The Butterfly Spirit of adapting to change has always been a core strength. A strength, that has enabled the Company not only to be resilient but also to stay ahead of the curve. Keeping pace with the disruptions and changing technologies, the Company launched a wide range of new products during the year.

Butterfly is embracing new generation technologies to deepen its customer

engagement with innovative and futuristic digital products and services that define shopping in the New Normal.

The highly volatile and changing business dynamics, mandate a prudent risk management framework and strong, well-established financial practices. In line with this, we have in the past year put in place a strong framework of fiscal discipline to manage cost, pare down the debt burden and prevent balance sheet vulnerabilities.

Despite the challenging business environment, Butterfly worked with great diligence to further strengthen the fundamentals and to create long term value for all its stakeholders.

Trust, transparency, honesty, integrity and accountability define the Butterfly ethos. This has been the guiding principle which has directed

the Company and its Board members to carry the legacy forward.

At Butterfly our people have been our greatest assets and during these challenging times they have demonstrated great courage and commitment to achieve such amazing results. I would like to thank each one of them for their contribution to the performance of the Company.

I would like to express my gratitude to our customers, stakeholders, bankers and suppliers for their loyalty and continued support. Last but not the least, I would like to express my sincere appreciation and thanks to all our shareholders for their continued support and trust reposed in us.

Yours Sincerely,

V. M. Lakshminarayanan



About Us

From a humble beginning in 1986 Butterfly Gandhimathi Appliances Ltd or BGMAL has today emerged as one of the largest manufacturers of domestic kitchen and electrical appliances in India.

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

BGMAL has pioneered many pathbreaking products and processes

that have redefined industry standards in the Household Appliance space in India. The Company was the first in the country to introduce health-friendly, Stainless Steel Pressure Cookers, fuel efficient Stainless Steel LPG Stoves and Vacuum Flasks with high heat retention properties.

Reputed for Quality and Durability, the Company's wide range of products marketed under the 'BUTTERFLY' brand include LPG Stoves, Mixer Grinders, Table Top Wet Grinders, Pressure Cookers, Stainless Steel Vacuum Flasks and Non-Stick Cookware. Other products comprise Juicers, Hand Blenders, Electric Irons, Power Hobs, Electric Rice

Cookers, Water Heaters (Geysers), Air Coolers, Electric Water Kettle, Electric Sandwich Maker, Electric Bread Toaster, Fans and Washing Machine.

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

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

Our Philosophy

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

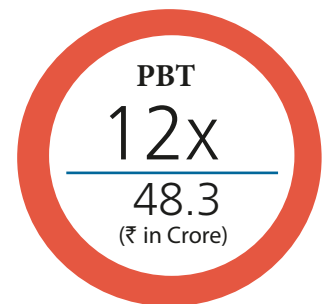
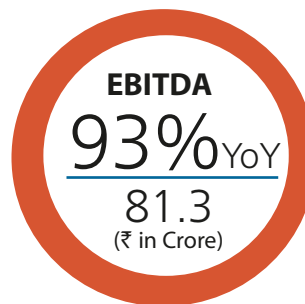
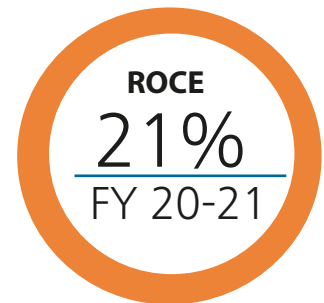
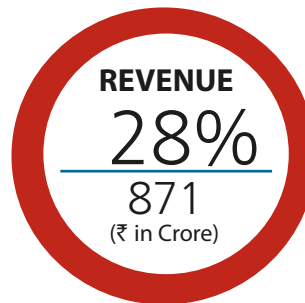
Highlights

FY 20-21

FY 2020-21 - Butterfly demonstrated its Spirit of surmounting challenges with differentiated, future-driven strategies for growth and market leadership.

The Company focused on consolidating its capabilities, building resilience through prudent fiscal management, enlarging its geographical footprint, and connecting with customers with value-driven, innovative products.

Exhibiting its true mettle, the Company forged ahead, pushing limits and exceeding set targets to drive exponential growth and build shareholder value.



Core Values

Transparency

Integrity

Honesty

Accountability

Compliance with laws

The Butterfly Spirit of self reliance, stretching limits & shaping the future.

The Butterfly Spirit of self reliance is reflected in the Company's dynamic position of being the largest and wholly integrated manufacturer of kitchen appliances in India. A position it has continued to hold for more than 3 decades in business.

BGMAL's multi - plant manufacturing facilities with integrated operations, provides it a competitive edge to address market demand with superior quality

products and just-in-time deliveries, without the burden of supply chain vulnerabilities or the dependence on imported components. More than 80 percent of the products are made in-house at the Company's own manufacturing facilities.

Surrounded by a lush green landscape, with extensive green cover, the main, state-of-the-art manufacturing Plant at Pudupakkam, Tamil Nadu, has



totally integrated production lines with design, tooling and mould making facilities. A dedicated in-house R&D wing contributes to the Company's innovation-led, customer centric products, to cater to emerging market trends.

The entire Plant is operational on the SAP platform with production modules integrated with a five-stage Quality control system with bar

coding of products for product-wise traceability.

The Plant is certified for ISO 9001: 2015 and ISO 14001:2015 Environment Management Systems and meets the highest standards in sustainable processes and manufacturing efficiencies.

Despite staggered operations due to the lock-down in the first quarter of the

year, the Company's manufacturing Plants turned out record production, in a challenging year, optimising efficiencies, to meet the burgeoning market demand.

This was made possible due to the stringent safety protocol, the disciplined work culture and the Butterfly Spirit of self reliance, stretching limits to overcome hurdles and shaping the future.



Manufacturing Plant at Pudupakkam, Tamil Nadu.

The Butterfly Spirit of pioneering new paths, of innovation & enterprise.

The constant urge to be different, to strike a pioneer's path, has always defined us at Butterfly. Be it starting the country's first integrated Home Appliances manufacturing plant or being industry first in innovative product offering.

Our first product was the modest stainless steel tumbler. The Butterfly touch of perfection and quality even in the simple tumbler made it stand out. The wide acceptance of the product made us expand our product line into various other kitchen appliances.

It was not long before we combined our technical expertise and our passion for innovation to create India's first Stainless Steel Pressure Cookers in 1986.

Our Pressure Cookers made from the highest quality steel are designed for health-friendly cooking and do not cause any detrimental effect to consumers. The Butterfly commitment to millions of customers that is underpinned in our business principles of integrity, trust and accountability.



Stainless Steel LPG Stoves was another innovative product from the Butterfly Brand launched in 1986, at a time when Stoves in general were made from wrought iron carrying with it the hazards of toxic fumes for the consumers. The Indian Standards Organization (ISI) raised the benchmark thermal efficiency of LPG stoves from 50% to 68% after we successfully demonstrated our quality standards. We were the first in India to get the BEE GREEN LABEL Certification with a 2 Star Rating from the Bureau of Energy Efficiency for Minimum 68% Thermal Efficiency for LPG Stoves in 2005. We have not only helped our customers to save cost by being more fuel efficient, we have contributed to large savings to the Country's exchequer by our fuel efficient stoves, while protecting the environment and reducing carbon footprint.

Flasks was another category which we transformed. Our Stainless Steel

flasks introduced in 1989 withstood the rigorous testing conducted for heat retention. The results were amazing. The Butterfly flasks could retain the heat for more than 72 hours unlike conventional flasks that could retain heat for just 8 hours. Another industry first from Butterfly!

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

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

Our strong R&D capabilities coupled with the technical expertise honed from nearly four decades of industry

experience, provides us the insight to innovate new and industry defining, customer-centric products.

Carrying this legacy forward and to address new and emerging opportunities in the kitchen appliances space, the Company expanded its product portfolio with the launch of a wide array of products during the year, ranging from LPG stoves, Mixer Grinders, Table Top Wet Grinders to Blenders & Sandwich Makers. A feat that has become a tradition at Butterfly with new and innovative products added to the Brand every year.

Building classic kitchen appliances with cutting edge technology, Butterfly today has emerged as a leading manufacturer of one of the widest range of domestic and kitchen appliances, matched by very few sectoral peers in India.



The Butterfly Spirit that translates into Beauty, Utility & Ergonomics in Domestic Kitchen Appliances.



The Butterfly brand of products epitomise beauty, utility and ergonomics in household appliances. Each product is the result of intensive, customer-centric R&D that is focused on ensuring both Quality and Durability for providing customer delight through value added, hassle-free, 'good for a lifetime' appliances.

During the year, in line with its strategic drive for growth and a pan India presence, the Company expanded its geographical footprint in the North, East and Western regions of the country.

In sync with the shifting consumer trends, the Company accelerated its digital transformation, going 'phygital' to cater to a wide spectrum of customers with different shopping needs. While a strong network of more than 25,000 retailer outlets served as experiential, customer touchpoints, a robust online platform was deployed to provide a comfortable, convenient and contactless buying experience.

Consolidating its market leadership, the Butterfly brand ramped up record sales, with a strong order book and a stronger spirit to explore new horizons.



Ranked No.1

700 + SKU's

in India for SS LPG
Stoves & Table Top
Wet Grinders



500 +
Exclusive
Distributors

25,000 +
Retailer
Outlets

Among
Top 3

in India in
Domestic Kitchen
Appliances

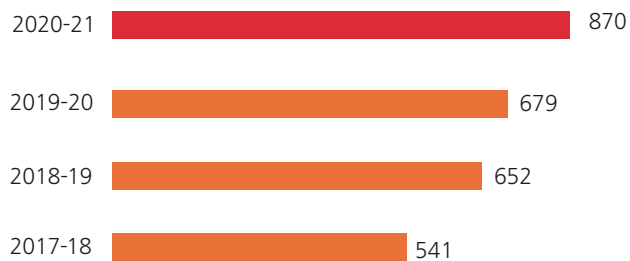
CRESTA - a new & innovative Food Processor from Butterfly.

Taking cognizance of the ever-increasing needs of Indian kitchen, 'Cresta' – the flagship product from the house of Butterfly has been curated. This mighty & robust all-in-one food processor is the next-generation kitchen companion allowing people to experience the real joy of cooking. Powered with a powerful 1HP motor for maximum performance and a superior 'Food Processor Selective Speed Technology', Cresta is designed to enable a seamless kitchen experience. Its 10 unique attachments of whisking, grinding grating, slicing, chopping, mincing, blending, pounding, shredding and extracting makes it a versatile genius at work.



Our Performance

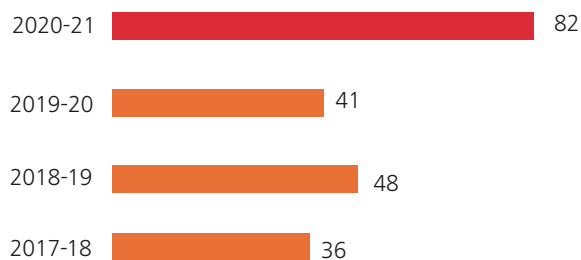
TOTAL REVENUE (₹ in Crore)



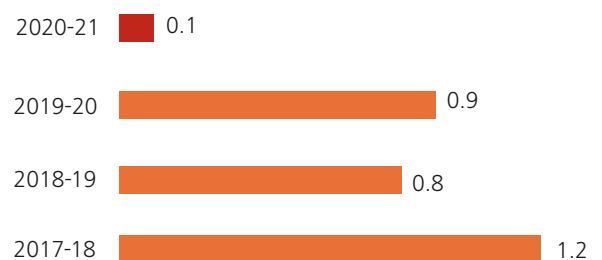
NETWORTH (₹ in Crore)



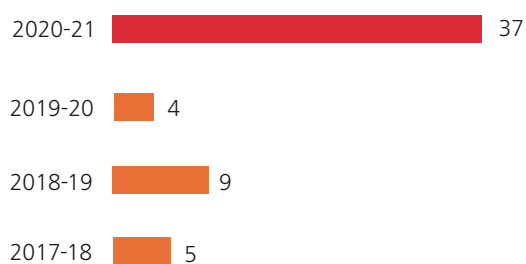
EBITDA (₹ in Crore)



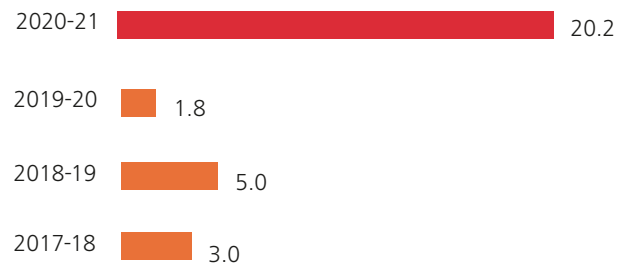
NET DEBT- EQUITY RATIO



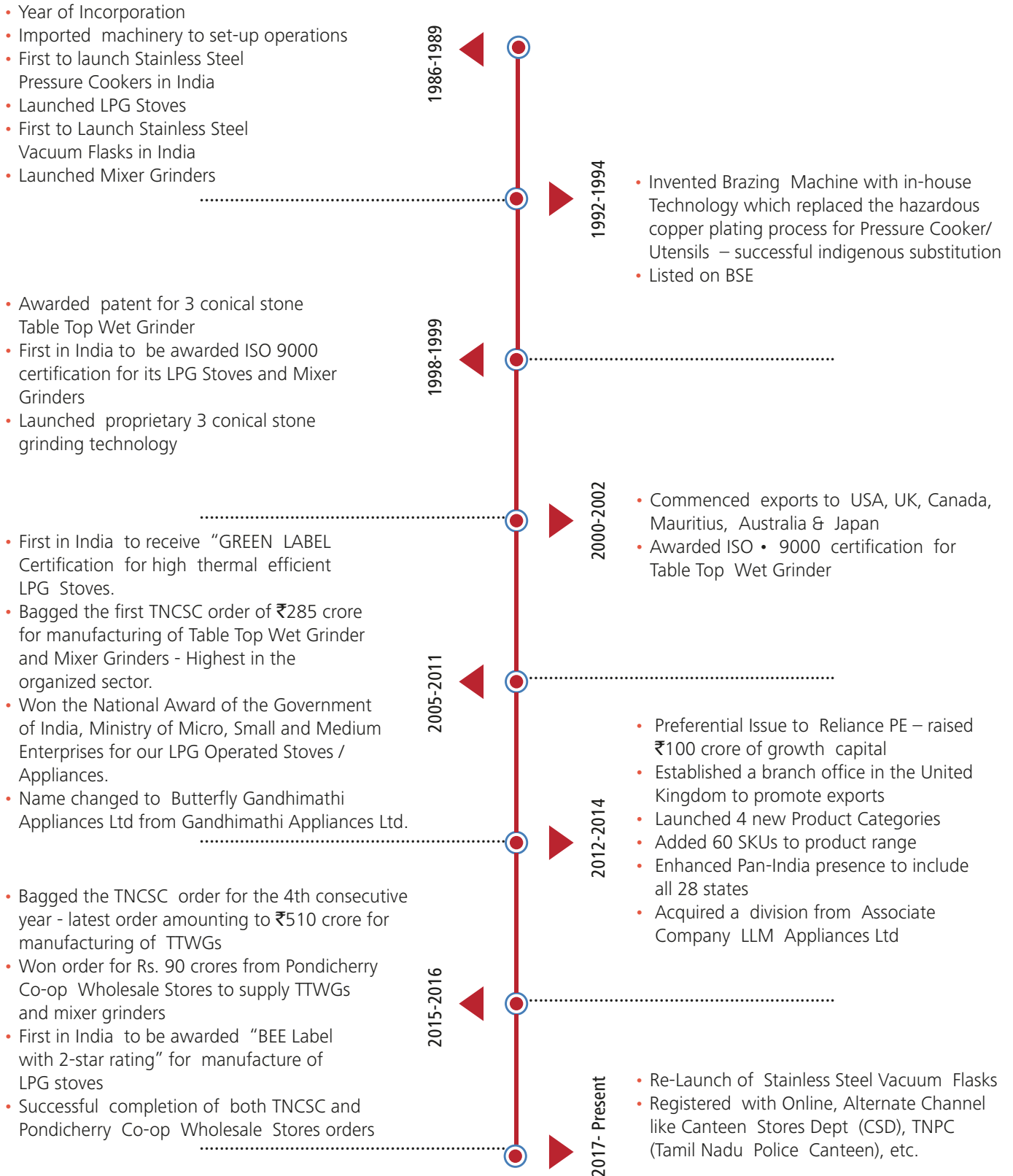
PROFIT AFTER TAX (₹ in Crore)



EARNING PER SHARE (₹)



Milestone



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of Butterfly Gandhimathi Appliances Limited will be held on Thursday, 29th July 2021 at 11.00 a.m., (IST) through Video Conferencing / Other Audio Visual Means, to transact the following business:

ORDINARY BUSINESS:

- To adopt Audited Financial Statement of the Company for the financial year ended 31.3.2021 together with the Report of the Board of Directors and the Auditors.**

To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March 2021, the Report of the Board of Directors and the Auditors thereon, laid before the meeting be and are hereby approved and adopted.”

- To confirm the payment of Dividend:**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

“RESOLVED THAT :

- Interim Dividend of ₹1.50 per equity share declared by the Board of Directors on 04.11.2020 on the equity shares of ₹10/- each of the Company for the year ended 31.03.2021 and paid to those equity shareholders whose names appeared in the Register of Members as on 12.11.2020 and;
- Second Interim Dividend of ₹1.50 per equity share declared by the Board of Directors on 19.02.2021 on the equity shares of ₹10/- each of the Company for the year ended 31.03.2021 and paid to those equity shareholders whose names appeared in the Register of Members as on 03.03.2021 being the record dates fixed for the purpose, (totalling to ₹ 3.00 per equity share) be and are hereby confirmed as final dividend for the Financial Year 2020-21.”

- Retirement of Director by rotation:**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. V.M.Gangadharam (DIN 00106466), 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 and having offered himself for his reappointment be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS:

- Reappointment of Mr. V.M.Gangadharam as Whole Time Executive Director of the Company:**

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution :

“RESOLVED THAT Pursuant to the provisions of Sections 196 and 197 read with Schedule V of the Companies Act 2013 (‘the Act’) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of Members of the Company be and is hereby accorded for the reappointment of Mr. V.M Gangadharam (DIN:00106466) Whole Time Executive Director of the Company for a period of five years with effect from 1st October 2021, whose period of office shall be subject to retirement by rotation on the following terms and conditions which shall be effective for a period of three years 1.10.2021 to 30.09.2024.

A. I. SALARY AND PERQUISITES:

1. Salary	₹ 67,20,000/- per annum or ₹5,60,000/- per month, including dearness and all other allowances
2. Medical	One month’s salary in a year or three month’s salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Air fare to any place in India or abroad once a year.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
4. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed ₹10,000/- per annum.

Note 1: Perquisites (2 to 4) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.

Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite, so as not to exceed 20% of the annual salary

5. Other Benefits

- | | |
|--------------------------------|---|
| a. Provident Fund Contribution | As per rules of the Company. |
| b. Gratuity | Not exceeding half a month's salary for each completed year of service, subject to a ceiling of ₹ 20 lakhs. |
| c. Earned Leave | As per rules of the Company |
-

Note: Contribution to Provident Fund, Gratuity payable and earned leave at the end of the tenure shall not be included in the computation of the ceiling on remuneration specified in Section II of Part II of Schedule V to the Companies Act, 2013.

- | | |
|----------------------------|--|
| 6. Car | Use of Company maintained car with driver for official purposes. |
| 7. Telephone/ Mobile Phone | Telephone at residence and Mobile phone for official use. |
-

Note: Provision of a car for use on Company Business and Mobile Phone/ Telephone for official use will not be considered as Perquisites.

Where in any financial year during the tenure of Mr. V.M. Gangadharam as Whole Time Executive Director the Company has no profits or its profits are inadequate, the Salary and Perquisites stated vide (1 to 7) above will be paid as minimum remuneration to him..

II. COMMISSION:

In addition to his salary and perquisites stated vide I (1 to 7) above, where the Company earns profits in a financial year as per the calculations made under Section 198 of the Companies Act 2013, Mr. V.M. Gangadharam together with the four other managerial personnel viz., Messrs. V.M. Lakshminarayanan, V.M. Balasubramaniam, V.M. Seshadri and V.M. Kumaresan shall be entitled to receive commission on net profits. However, the combined aggregate limit of salary/perquisites/

commission paid to all the managerial personnel of the Company shall not exceed 10% of net profits, as prescribed under Section 197 of the Act or any statutory modification(s) or re-enactment thereof. The quantum of commission to be paid to each of the above managerial personnel will be determined as agreed amongst them and approved by the Nomination and Remuneration Committee/Board of Directors.

III. REIMBURSEMENT OF EXPENSES:

- a. Entertainment expenses:
Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.
- b. Travelling expenses:
Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

B. That the Board of Directors of the Company (on the recommendations of the Nomination and Remuneration Committee) be and is hereby authorised to revise, amend, alter and vary the remuneration and other terms and conditions of the reappointment of Mr. V.M. Gangadharam, in such a manner as may be permissible in accordance with the provisions of the Act or any modification or re-enactment thereto and as may be agreed to by and between the Board of Directors and Mr. V.M. Gangadharam, without any further reference to the shareholders in General Meeting.

C. That the Board of Directors of the Company be and is hereby authorised to take all actions and steps expedient or desirable to give effect to this resolution in conformity with the provisions of the Act as may be prevailing, and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the shareholders of the Company.

5. Reappointment of Mr. V.M.Kumaresan as Whole Time Executive Director (Technical) of the Company:

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V of the

Companies Act 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded for the reappointment of Mr. V.M. Kumaresan (DIN:00835948) as Whole Time Executive Director (Technical) of the Company for a period of five years with retrospective effect from 1st June 2021, whose period of office shall be subject to retirement by rotation on the following terms and condition which shall be effective for a period of three years from 1.6.2021 to 31.5.2024

A. I. SALARY AND PERQUISITES

1. Salary	₹ 67,20,000/- per annum or ₹5,60,000/- per month, including dearness and all other allowances
2. Medical	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Air fare to any place in India or abroad once a year.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
4. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed ₹10,000/- per annum.
Note 1: Perquisites (2 to 4) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.	
Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite, so as not to exceed 20% of the annual salary	
5. Other Benefits	
a. Provident Fund Contribution	As per rules of the Company.
b. Gratuity	Not exceeding half a month's salary for each completed year of service, subject to a ceiling of ₹ 20 lakhs.
c. Earned Leave	As per rules of the Company

Note: Contribution to Provident Fund, Gratuity payable and earned leave at the end of the tenure shall not be included in the computation of the ceiling on remuneration specified in Section II of Part II of Schedule V to the Companies Act, 2013.

6. Car	Use of Company maintained car with driver for official purposes.
7. Telephone/ Mobile Phone	Telephone at residence and Mobile phone for official use.

Note: Provision of a car for use on Company Business and Mobile Phone/ Telephone for official use will not be considered as Perquisites.

Where in any financial year during the tenure of Mr. V.M. Kumaresan as Whole Time Executive Director (Technical) the Company has no profits or its profits are inadequate, the Salary and Perquisites stated vide (1 to 7) above will be paid as minimum remuneration to him.

II. COMMISSION:

In addition to his salary and perquisites stated vide I (1 to 7) above, where the Company earns profits in a financial year as per the calculations made under Section 198 of the Companies Act 2013, Mr. V.M. Kumaresan together with the four other managerial personnel viz., Messrs. V.M. Lakshminarayanan, V.M. Balasubramaniam, V.M. Seshadri and V.M. Gangadharam shall be entitled to receive commission on net profits. However, the combined aggregate limit of salary/perquisites/ commission paid to all the managerial personnel of the Company shall not exceed 10% of net profits, as prescribed under Section 197 of the Act or any statutory modification(s) or re-enactment thereof. The quantum of commission to be paid to each of the above managerial personnel will be determined as agreed amongst them and approved by the Nomination and Remuneration Committee/Board of Directors.

III. REIMBURSEMENT OF EXPENSES:

- a. Entertainment expenses:
Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.
- b. Travelling expenses:
Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

B. That the Board of Directors of the Company (on the recommendations of the Nomination and Remuneration Committee) be and is hereby authorised to revise, amend, alter and vary the remuneration and other terms and conditions of the reappointment of Mr. V.M. Kumaresan, in such manner as may be permissible in accordance with the provisions of the Act or any modification or re-enactment thereto and as may be agreed to by and between the Board of Directors and Mr. V.M. Kumaresan, without any further reference to the shareholders in General Meeting.

C. That the Board of Directors of the Company be and is hereby authorised to take all actions and steps expedient or desirable to give effect to this resolution in conformity with the provisions of the Act as may be prevailing, and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the shareholders of the Company.

6. Ratification of remuneration payable to Cost Auditor for the financial year ending March 31, 2022

To consider and if thought fit to pass with or without modification 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 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Rules made thereunder, the payment of remuneration of ₹ 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, whose appointment has been approved by Board of Directors as Cost Auditors for conducting the audit of cost records of the Company, for the financial year ending 31st March 2022, be and is hereby ratified”.

7. Approval to contribute to Bonafide Charitable and other Funds:

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the resolution passed at the 32nd Annual General Meeting of the Company held on 7.8.2019, pursuant to the provisions of section 181 of the Companies Act 2013 and other applicable provisions, if any, the permission of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to “The Board” which term shall be deemed to include any committee which the Board may constitute for this purpose) to contribute to bonafied Charitable and other funds, in any financial year, such amount not exceeding Rupees Two Crores in the aggregate.

Chennai

Date : 14.6.2021

Registered Office:

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

By Order of the Board

V.M.LAKSHMINARAYANAN

Chairman & Managing Director

(DIN: 00106346)

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 **23rd July 2021 to 29th July 2021 (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 13th January 2021, read with circulars dated May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as 'MCA Circulars') and SEBI Circular dated 15th January, 2021 read with Circular dated 12th May, 2020 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/SEBI 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. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021 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 2021 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. The condensed version of the Notice is also being published in one English and one vernacular newspaper.
5. Deemed venue for the Annual General Meeting is the Registered office of the Company at 143, Pudupakkam Village, Vandalur – Kelambakkam Road, Kelambakkam - 603 103, Chengalpeta District.
6. 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 and the proxy need not be a Member on 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 and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The relevant details, pursuant to Regulations 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.
9. 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 or 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.
10. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The Members/ Claimants whose shares, unclaimed dividend, and debenture interest amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in).

11. 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.
12. 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 / Regulatory Information. 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.
13. 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.
14. 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.
15. 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 29th July 2021. Members seeking to inspect such documents can send an email to cs@butterflyindia.com.
16. **Instructions to Members with regard to remote e-voting, attending and e- voting at the 34th AGM of the Company held through Video Conferencing ('VC') other permitted Audit Visual Means ('OAVM') as an e-AGM:**
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL, on all the resolutions set forth in this Notice. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.butterflyindia.com/InvestorRelation. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
 - ii. The remote e-voting period commences on **Sunday 25th July 2021 (09.00 a.m. IST) and ends on Wednesday 28th July 2021(5.00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on 22nd July 2021 i.e. cut-off date**, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
 - iii. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit

- Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iv. 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.
 - v. 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.
 - vi. 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.
 - vii. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at e-voting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
 - viii. 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

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp voting period or joining virtual meeting & voting during the meeting.</p> <p>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. Once the home page</p>

Type of shareholders**Login Method**

of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL

Existing users who have opted for Easi/ Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.

After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.

If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>

Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note:

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

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

Login type**Helpdesk details**

Individual Shareholders holding securities in demat mode with NSDL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Individual Shareholders holding securities in demat mode with CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. 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.

Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.
- C. Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

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

1. After successful login at Step 1, you will be able to see the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
 2. Select “EVEN” of company to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
 5. Upon confirmation, the message “Vote cast successfully” will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- 17. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested

scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to sta@gnsaindia.com / ravi.k@gnsaindia.com.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@butterflyindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

18. The Instructions for Members for E-Voting on the Day of the AGM are as Under:-

The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

Only those Members/ shareholders, 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 in the AGM.

Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

19. Instructions For Members For Attending The AGM through VC/OAVM are as Under:

Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

Members are encouraged to join the Meeting through Laptops for better experience.

Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

20. 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 25th July, 2021 (9.00 a.m. IST) to 27th July, 2021 (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 34th 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 27th July 2021, such questions by the Members shall be suitably replied to by the Company.

21. General Guidelines for shareholders

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting@akjainassociates.com with a copy marked to evoting@nsdl.co.in.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

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

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

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

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

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

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

23. 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 declared 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>. 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.

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 and forms integral part of the respective resolution listed therein.

Item No. 4 : Reappointment of Mr. V.M.Gangadharam as Whole Time Executive Director:

At the Annual General Meeting held on 29.10.1994, Mr. V.M. Gangadharam was appointed as Whole Time Executive Director of the Company w.e.f. 01.10.1994 and since then, with the approval of the Members, from time to time, he is continuing as the Whole Time Executive Director of the Company.

At the Annual General Meeting of the Company held on 5th August 2016, Mr. V.M. Gangadharam was reappointed for a period of five years w.e.f. 01.10.2016, whose period of office is subject to retirement by rotation. The present tenure of Mr. V.M. Gangadharam as Whole Time Executive Director expires on 30th September 2021. Through this resolution his reappointment is being sought for a period of five years from 1.10.2021 to 30.9.2026. The remuneration of Mr. V.M. Gangadharam was revised through Postal Ballot resolution which was approved by the Members on 8.2.2019 for a period of three years upto 31.12.2021.

The Nomination and Remuneration Committee at the meeting held on 17.5.2021 has taken into consideration his wide experience in the production and marketing of home appliances for about four and half decades. Mr. V.M. Gangadharam, as Executive Director has richly contributed for successful achievement of the accelerated growth milestones of the Company. He has concentrated in the branded sales and increased the turnover as per the budget. His relentless efforts for continuing and sustaining the impressive growth of the Company are expected to take it nearer to its peers during his tenure. Subject to approval of the Members in the Annual General Meeting the Nomination and Remuneration Committee recommended his reappointment for a period of five years with effect from 1.10.2021 and the remuneration and other perquisites payable for a period of three years from 1.10.2021 to 30.9.2024.

The Board of Directors of the Company at its meeting held on 17.5.2021 subject to approval of the members at the Annual General Meeting approved the reappointment of Mr. V.M. Gangadharam as Whole Time Executive Director whose period of office is subject to retirement by rotation during his tenure of office as Executive Director.

In the event of loss or inadequacy of profit in any financial year during the currency of tenure of Mr. V.M. Gangadharam the remuneration stated in the Resolution being Item No.4 of the Notice convening the meeting shall be the minimum remuneration payable to him.

Further the Board seeks the authority to enhance, enlarge, alter or vary the scope and quantum of remuneration and perquisites of Mr. V.M. Gangadharam, Whole Time Executive Director from time to time within the limits prescribed under the Companies Act 2013 or any amendment thereto, and to be agreed between the Board and Mr. V. M. Gangadharam without further reference to the Company in general meeting.

The additional information on Mr. V. M. Gangadharam pursuant to Listing Regulations and Secretarial Standard (SS-2) is annexed.

The Company has received from Mr. V. M. Gangadharam (i) consent in writing to act as a Whole Time Director in Form DIR-2 pursuant to Rule 8 of Companies [Appointment & Qualification of Directors] Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies [Appointment & Qualification of Directors] Rules 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and (iii) Notice of Interest in Form MBP-1 in terms of Rule 9 of Companies (Meetings of Board and its Powers) Rules, 2014.

Since Mr. V.M. Gangadharam will attain the age of 70 years during the present tenure, the approval of Members now sought by way of Special Resolution be also considered as approval under Section 196(3) of the Companies Act, 2013 read with Part I of Schedule V of the Companies Act, 2013.

The Board recommends the Special Resolution set out at item No.4 of the Notice for consideration and approval of the Members.

A brief profile including nature of his expertise in specific functional areas, other directorships and committee memberships, his shareholding and relationship with other Directors in the Company are appended to the notice annexed hereto.

MEMORANDUM OF INTEREST:

Mr. V.M.Gangadharam may be deemed to be interested or concerned in the resolution. Messrs. V.M.Lakshminarayanan, Chairman & Managing Director, V.M. Balasubramaniam, Vice Chairman & Managing Director, V.M. Seshadri, Managing Director, V.M. Kumaresan, Executive Director-Technical, G.Viswanathan, Senior Vice President - Materials Management and V.M.G.Mayuresan, Vice President - Corporate Strategy who are relatives of Mr. V.M. Gangadharam are also deemed to be concerned or interested in the resolution.

None other Directors or Key Managerial Personnel or their relatives are interested or concerned financially or otherwise in the resolution.

Item No. 5:

Reappointment of Mr. V.M. Kumaresan, Whole Time Executive Director (Technical):

At the Annual General Meeting held on 20th August 2015, Mr. V.M. Kumaresan was reappointed for a period five years w.e.f. 01.06.2016, whose period of office is subject to retirement by rotation. The present tenure of Mr. V.M.Kumaresan as Whole Time Executive Director-Technical expires on 30th May 2021.

The Nomination and Remuneration Committee at the meetings held on 17.05.2021, has taken into consideration the rich contribution of Mr. V.M. Kumaresan to the impressive growth of the Company throughout the past four decades. He has played a pivotal role throughout in the selection of appropriate new machinery and balancing equipment, facilitating enhanced productivity with rationalisation in manpower. Mr. V.M.Kumaresan is also responsible for having established a world class design studio with high calibre professionals for developing latest international designs for the Company's products. Subject to approval of the members in the Annual General Meeting, the Nomination and Remuneration Committee recommended his reappointment for a period of five years with effect from 01.06.2021 and the remuneration payable for a period of three years from 1.6.2021 to 31.5.2024.

The Board of Directors of the Company at its meeting held on 17.05.2021, subject to approval of the Members in the Annual General Meeting, approved the reappointment of Mr. V.M. Kumaresan with effect from 01.06.2021 to 31.5.2026 as Executive Director (Technical) of the Company, whose period of office shall be subject to retirement by rotation during his tenure of office as Executive Director - Technical.

In the event of loss or inadequacy of profit in any financial year during the currency of tenure of Mr. V.M.Kumaresan, the remuneration stated in the Resolution being Item No.5 of the Notice convening the meeting shall be the minimum remuneration payable to him.

Further the Board seeks authority to enhance, enlarge, alter or vary the scope and quantum of remuneration and perquisites of Mr. V.M.Kumaresan, Executive Director (Technical) from time to time within the limits prescribed under Schedule V to the Companies Act 2013 or any amendment(s) thereto and to be agreed between the Board and Mr. V.M.Kumaresan, without further reference to the Company in General Meeting.

The additional information on Mr. V.M. Kumaresan pursuant to Listing Regulations and Secretarial Standard (SS-2) is annexed.

The Company has received from Mr. V.M.Kumaresan (i) consent in writing to act as a Whole Time Director in Form DIR-2 pursuant to Rule 8 of Companies [Appointment & Qualification of Directors] Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies [Appointment & Qualification of Directors] Rules 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and (iii) Notice of Interest in Form MBP-1 in terms of Rule 9 of Companies (Meetings of Board and its Powers) Rules, 2014.

A brief profile including nature of his expertise in specific functional areas, other directorships and committee memberships, his shareholding and relationship with other Directors in the Company are appended to the notice annexed hereto.

The Board recommends the Special Resolution set out at item No.5 for consideration and approval of the Members.

MEMORANDUM OF INTEREST:

Mr. V.M. Kumaresan may be deemed to be concerned or interested in the resolution, and his relatives, viz., Messrs. V.M. Lakshminarayanan, Chairman & Managing Director, V.M. Balasubramaniam, Vice Chairman & Managing Director, V.M.Seshadri, Managing Director and V.M. Gangadharam, Executive Director may also be deemed to be concerned or interested in the resolution.

Except as aforesaid, no other Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution.

I. General Information pursuant to the third proviso (iv) to Section II (B) of Part II of Schedule V:

The General Information to be given to the shareholders in connection with the aforesaid reappointment of Messrs. V. M. Gangadharam as Whole Time Executive Director and V.M.Kumaresan as Whole Time Executive Director-Technical and the remuneration payable to them:

1. Nature of Industry	Manufacturing and Marketing of a wide range of domestic kitchen and domestic electrical appliances.
2. Date or expected date of commencement of commercial production	The Company commenced commercial production on 24 th February, 1986
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
4. Financial performance based on given indicators	Not Applicable
5. Foreign Investments or collaborations, if any	NIL

II. (a) Reappointment of Mr. V.M. Gangadharam, Whole Time Executive Director:

1. Background details	Mr. V.M.Gangadharam is having rich experience in the manufacturing and marketing of home appliances for the past 48 years. He has richly contributed for the Company's progress as an Executive Director for the past two decades.
2. Past remuneration	Members approved revision of remuneration of Mr. V.M.Gangadharam through Postal Ballot resolution dated 08.02.2019, w.e.f. 01.01.2019, ₹ 67,20,000/- per annum or ₹ 5,60,000/- per month including dearness and other allowances and perquisites restricted to an amount equal to 20% of his annual salary. In addition to salary, members also approved payment of commission to Mr. V.M.Gangadharam and the other Managing/Executive Directors of the Company not exceeding the ceiling of 10% of the net profits as per Section 197 of the Companies Act 2013.
3. Recognition or awards	The sales turnover of the Company had a very impressive growth. Mr. V.M.Gangadharam excellently planned the increase in the capacity for manufacture of the products to match with the phenomenal increase in sales turnover. In view of the projected future higher sales turnover, he is putting in ceaseless efforts to gear up and update the manufacturing facilities.
4. Job Profile and his suitability	Mr. V.M.Gangadharam as the Executive Director of the Company is the functional head for the marketing activities of the Company, under the superintendence of the Managing Directors and in view of his rich experience of about 48 years in the home appliances industry, Mr. V.M. Gangadharam is ideally suited to hold the position of Executive Director. He has introduced various new technology in marketing in par with latest development in modern trade, digital platforms, corporate sales and exports. During his tenure, he has exhibited high and rare business skills and has contributed to the growth of the Company.

5. Remuneration proposed	As set out in Resolution No.4 and the related explanatory statement of the Notice.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. in the country of his origin)	In the organised sector of kitchen and electrical appliances industry manufacturing similar products there are only a few companies with similar synergies. The proposed remuneration of the appointee is in line with the prevailing remuneration in Industry, size of the Company, profile of the similar position, etc.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr. V.M. Gangadharam holds 7,75,229 equity shares (4.34% of the paid up capital) of the Company. Apart from this, Mr. V.M. Gangadharam has no direct or indirect pecuniary relationship with the Company excepting his remuneration and reimbursement of out of pocket expenses incurred wholly and exclusively for the Company's business. Mr. V.M. Gangadharam is related to Messrs. V.M. Lakshminarayanan, Chairman and Managing Director, V.M. Balasubramaniam, Vice Chairman and Managing Director, Mr. V.M. Seshadri, Managing Director and Mr. V.M. Kumaresan, Executive Director-Technical.

b. Reappointment of Mr. V.M. Kumaresan, Whole Time Executive Director - Technical:

1. Background details	Mr. V.M.Kumaresan possesses sound technical knowledge in deep drawing process, sheet metal forming, making tools and dyes and has dedicated about 40 years in Research and Development and innovation of new products. He was initially appointed as Whole Time Director-Technical at the Annual General Meeting of the Company held on 30.9.2000. Consequent to his becoming Managing Director of a Private Limited Company promoted by him, he resigned his position with effect from 29.10.2004. However, in the interest of future growth of the Company, he was again appointed as Executive Director-Technical for a period of three years from 01 st June, 2007 and reappointed for two further terms of three years each, i.e., from 01 st June, 2010 to 31 st May, 2013 and 1 st June 2013 to 31 st May 2016 and for further term of five years from 01 st June 2016 to 31 st May 2021 respectively at the Annual General Meetings of the Company held on 3.11.2010, 31.8.2012 and 20.08.2015.
2. Past remuneration	Members approved revision of remuneration of Mr. V.M.Kumaresan through Postal Ballot resolution dated 08.02.2019 w.e.f. 01.01.2019, ₹ 67,20,000/- per annum or ₹ 5,60,000/- per month including dearness and other allowances and perquisites restricted to an amount equal to 20% of his annual salary. In addition to salary, members also approved payment of commission to Mr. V.M.Kumaresan and the other Managing/Executive Directors of the Company not exceeding the ceiling of 10% of the net profits as per Section 197 of the Companies Act 2013.
3. Recognition or awards	Innovation of three stone Table Top Wet Grinder which has since been patented by the Company.

4. Job Profile and his suitability	Mr. V.M.Kumaresan as the Whole Time Executive Director-Technical of the Company is the functional Head of its R&D and Design wings. In view of his rich experience of over three and a half decades in this area, Mr.Kumaresan is ideally suited to hold the position of Executive Director-Technical.
5. Remuneration proposed	As set out in Resolution No.5 and the related explanatory statement of the Notice.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. in the country of his origin)	In the organised sector of kitchen and electrical appliances industry manufacturing similar products there are only a few companies with similar synergies. The proposed remuneration of the appointee is in line with the prevailing remuneration in Industry, size of the Company, profile of the similar position, etc.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr. V.M. Kumaresan holds 782422 equity shares (4.38% of the paid up capital) of the Company. Apart from this, Mr. V.M. Kumaresan has no direct or indirect pecuniary relationship with the Company excepting his remuneration and reimbursement of out of pocket expenses incurred wholly and exclusively for the Company's business. Mr. V.M.Kumaresan is related to Messrs. V.M. Lakshminarayanan, Chairman and Managing Director, V.M. Balasubramaniam, Vice Chairman and Managing Director., V.M. Seshadri, Managing Director and V.M. Gangadharam, Executive Director.

III. Other Information:

1. Reasons of loss or inadequate profit:

Does not arise as the Company is earning adequate profits.

2. Steps taken or proposed to be taken for improvement: Not applicable.

3. Expected increase in productivity and profits in measurable terms: Not Applicable

Item No. 6:

Ratification of Remuneration of Cost Auditors:

The Board of Directors of the Company, on recommendation of the 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 2022.

In accordance with the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out in Item No.6 of the Notice for ratification of the remuneration amounting to ₹1,75,000/-plus applicable taxes, travel and out of pocket expenses payable to the Cost Auditors for the financial year ending on 31.3.2022, as recommended by the Audit Committee and considered by the Board of Directors of the Company,

The Board recommends the Ordinary resolution at Item no.6 for approval by the members.

MEMORANDUM OF INTEREST:

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

Item No. 7:

Approval For Contribution to Bonafide Charitable and Other Funds:

The Company intends to contribute/donate, from time to time, to any Bonafide charitable funds, other relief funds including national, social and benevolent funds etc for charitable purposes. In terms of the provisions of Section 181 of the Companies Act, 2013, any amount contributed to any charitable and other funds in excess of 5% of the Company's average net profits during the three immediately preceding financial years requires prior approval of the Members of the Company.

The Company has made a contribution of ₹ 1 crore to the Chief Minister Public Relief Fund to the Tamil Nadu Chief Minister on 15.5.2021 towards relief measure in connection with the COVID-19 pandemic. This amount falls within the limit of 5% of the average net profit during the three immediate preceding financial years. The Company had accorded approval wide resolution passed at the 32nd Annual General Meeting held on 7th August 2019 for contribution to bonafied charitable and other funds in excess of 5% of the average net profit for the immediate past three financial years subject to a maximum of ₹ 50 lakhs needs to be revised upwards, approval is sought for enhancing the limit upto ₹ 2 crores in any financial year.

The Board recommends the Special resolution at Item no.7 for approval by the members.

MEMORANDUM OF INTEREST:

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

Details of Director seeking re-appointment at the Annual General Meeting [Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India]

Particulars	V.M.Gangadharam	V.M.Kumaresan
Date of birth / Age	18.01.1955 / 66	19.06.1963/ 58
Qualifications	Matriculation	Matriculation
Designation	Whole Time Executive Director	Whole Time Executive Director-Technical
Experience	48	40
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	To be Appointed for a term of five years from 01.10.2021 as per Section 196 and 197 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder read with Schedule V of the Act. Remuneration: ₹ 67,20,000/- per annum or ₹ 5,60,000/- per month exclusive of perquisites and other benefits	To be Appointed for a term of five years from 01.06.2021 as per Section 196 and 197 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder read with Schedule V of the Act. Remuneration: ₹ 67,20,000/- per annum or ₹ 5,60,000/- per month exclusive of perquisites and other benefits

Particulars	V.M.Gangadharam	V.M.Kumaresan
Remuneration last drawn	₹ 67,20,000/- per annum or ₹ 5,60,000/- per month exclusive of perquisites and other benefits	₹ 67,20,000/- per annum or ₹ 5,60,000/- per month exclusive of perquisites and other benefits
Date of first appointment on the Board	12.09.1994	30.09.2000
Shareholding in the Company	775229	782422
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. V.M. Gangadharam is related to Messrs. V.M.Lakshminarayanan, Chairman & Managing Director, V.M.Balasubramaniam, Vice Chairman & Managing Director, V.M.Seshadri, Managing Director, V.M.Kumaresan Executive Director-Technical, V.M.G.Viswanathan, Sr.Vice President - Materials Management and V.M.G.Mayuresan, Vice President - Corporate Strategy.	Mr. V.M. Kumaresan is related to Messrs. V.M. Lakshminarayanan, Chairman & Managing Director, V.M. Balasubramaniam, Vice Chairman & Managing Director, V.M. Seshadri, Managing Director and V.M. Gangadharam, Executive Director.
The number of Meetings of the Board attended during the year	8 - in the financial year ended 31.3.2021	7 - in the financial year ended 31.3.2021
Other Directorships, Membership/ Chairmanship of Committees of other Boards	1	1

Chennai
Date : 14.06.2021

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

By Order of the Board
V.M.LAKSHMINARAYANAN
Chairman & Managing Director
(DIN: 00106346)

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

Your Directors have pleasure in presenting this Thirty Fourth Annual Report together with the Audited Statement of Accounts for the financial year ended on 31st March 2021.

1. FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March 2021 is summarised below:

(₹ in lakhs)

	Financial Year ended on	
	31.03.2021	31.03.2020
Revenue from Operations (Net)	86,963.81	67,869.50
Other Income	158.05	145.68
Operating Expenditure	78,994.53	63,795.23
Operating Profit before Depreciation and Finance Cost	7,969.28	4,074.27
Profit before Depreciation and Finance cost	8,127.33	4,219.95
Finance Cost	1,737.30	2,413.41
Depreciation	1,555.17	1,393.74
Profit before Tax	4,834.86	412.80
Income Tax/Deferred Tax	1,219.05	14.90
Profit after Tax	3,615.81	397.90
Other Comprehensive Income net of tax	51.98	(71.36)
Total Comprehensive Income for the year	3,667.79	326.54

2. DIVIDEND:

Board of Directors at their meeting held on 4.11.2020 and 19.02.2021 had declared interim dividends of ₹ 1.50 per equity share of the face value of ₹ 10/- each (total dividend ₹ 3/- per equity share) and has already paid the same. The Board of Directors have recommended the same be confirmed as final dividend for financial year 2020-2021.

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

3. REVIEW OF OPERATIONS:

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

resume operations under a stringent safety protocol to meet the burgeoning market demand from the second quarter onwards. Additionally, various initiatives were taken to expand the market for Company's products to new geographies, and for maximisation of efficiencies particularly in the area of cost reduction and working capital management.

In line with the Butterfly spirit of overcoming challenges, the Company ended the year with a creditable performance, exceeding planned targets in performance and profitability.

During the year under review, the total revenue amounted to ₹ 86,963.81 Lakhs as against ₹ 67,869.50 Lakhs in the previous year. Profit before Tax was ₹ 4,834.86 Lakhs compared to ₹ 412.80 Lakhs, in 2019-20 a significant increase of more than ten fold.

4. DIRECTORS:

Mr. V.M. Gangadharam, Director (DIN No.00106466), 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 Mr. V.M. Gangadharam as Whole Time Executive Director for a further term of 5 years with effect from 01.10.2021 and Mr. V.M. Kumaresan as Whole Time Executive Director-Technical for a further term of five years with retrospective effect from 01.06.2021.

5. MANAGEMENT DISCUSSION AND ANALYSIS:

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

6. CREDIT RATING:

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

Long Term Rating	CRISIL A -/Stable (upgraded from 'CRISIL BBB+/Stable')
Short Term Rating	CRISIL A2+ (upgraded from 'CRISIL A2')

7. DIRECTORS RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2021 and of the profit of the Company for that year;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The directors had prepared the annual accounts on a going concern basis;
- 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
- 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 MANAGERIAL PERSONS AND THEIR REMUNERATION:

Pursuant to the provisions of Section 178 (3) of the Act read with Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 19(4) read with Schedule II Part -D of SEBI (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 as well as other employees and, 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
- Mr. V.M.Gangadharam, Executive Director
- Mr. V.M.Kumaresan, Executive Director - Technical
- Mr. K. S. Ramakrishnan,
Company Secretary & General Manager–Legal
- Mr. R. Nagarajan, Chief Financial Officer

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. PERFORMANCE EVALUATION OF DIRECTORS:

The Independent Directors of the Company held a separate meeting on 05.04.2021 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 of the Committees represented by such Independent Director in accordance with the parameters for such evaluation formulated by the Nomination and Remuneration Committee of the Company.

16. 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.

The Auditors' Report to the Shareholders on the financial statement for the year ended 31st March 2021 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 Board on recommendation of the Audit Committee, appointed M/s.S.Mahadevan & Co., (FRN000007), Chennai, being eligible, for conducting the Audit of cost records of the Company for the year 2021-2022. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and the rules framed thereunder.

The remuneration payable to Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and in terms of the Act and Rules there under. The Members are therefore requested to ratify the remuneration payable to M/s.S.Mahadevan & Co., as set out in the Notice of the 34th AGM of the Company.

iii. Secretarial Auditor and Secretarial Audit Report:

The Board on recommendation of the Audit Committee has appointed M/s.A.K.Jain & Associates, Company Secretaries, [CP No.3550], Chennai to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act 2013 for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31.3.2021 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.

17. REPORTING OF FRAUDS BY AUDITORS:

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

18. DISCLOSURES:

Audit Committee:

The Audit Committee comprises of Independent Directors, viz., Messrs. K. Ganesan (Chairman), M. Padmanabhan and

A. Balasubramanian (Members) all are qualified Chartered Accountants and also Mr. 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 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 complaint.

Meetings of the Board:

The Board met eight 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. The Company

has also placed a copy of the draft Annual Return for the Financial Year 2020-21 in accordance with the Companies Act 2013 on our website at www.butterflyindia.com

Statement pursuant to Rule 5 (1), (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) 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 of Managerial Personnel) Rules 2014 is annexed as **Annexure VI** of the Directors' Report.

Payment of remuneration made to managerial personnel is in conformity with the provisions of the Companies Act 2013 and the rules made thereunder.

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. Our Company has been contributing to CSR activities much before it was even mandated. 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.

The CSR committee confirmed that the implementation and monitoring of CSR Policy is in compliance 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 Practicing Company Secretary certificate on Director's eligibility forms part of this report as **Annexure IX**.

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

The Company has not invited or accepted deposits from public or shareholders; there are no deposits outstanding or remaining unpaid as at the end of 31st March 2021.

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

During the year under review, your Company has complied with provisions of section 186 of the Companies Act 2013 in respect of Guarantee issued.

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 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 believes in providing a safe, supportive and friendly workplace environment. A workplace where our values come to life through the supporting behaviours. Positive workplace environment and great employee experience are an 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 2020-2021	NIL
2	No. of complaints disposed off – FY 2020-2021	NIL
3	No. of complaints pending as on 31.3.2021	NIL

**Transfer to Investor Education and Protection Fund [IEPF]
- Unclaimed dividends for the year ended 31st March 2013:**

Your Company has transferred a sum of ₹11,15,155/- during the financial year 2020-2021 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 2013, 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 2021-2022 to both National Stock Exchange of India Limited and BSE Limited., with whom the equity shares of the Company have been listed.

Others:

- There were no material changes, complaints and commitments, affecting the financial position of the Company which have occurred between financial year ended 31.03.2021 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.
- No equity shares (including sweat equity shares) were issued to employee of your Company, under any Scheme.

19. 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 Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited 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

Date: 17.05.2021

For and on behalf of the Board

V.M.LAKSHMINARAYANAN

Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

Started in 1986, BGMAL is today reckoned among the largest Kitchen Appliances Companies in India, with a large and trusted customer base both in the country and overseas. A pioneer and among the very few integrated manufacturers of Domestic Kitchen Appliances in the country, BGMAL is reputed for Quality and Innovation, with benchmark standards and many industry-first achievements to its credit. The Company's flagship and popular 'Butterfly' brand includes one of the widest range of Domestic Appliances such as LPG Stoves, Mixer Grinders, Table Top Wet Grinders, Stainless Steel & Aluminium Pressure Cookers, Stainless Steel Flasks & Water Bottles, Chimney Hobs, Geysers, Air Coolers, among others

Economic Overview

Global Outlook

The year 2020 will go down in history for the disruption of unprecedented proportion on account of COVID-19 pandemic in the destinies of people and nations. According to the IMF, the global economy witnessed significant contraction. However, the Global Economy staged smart recovery in later half of financial year 2020-21. In the current financial year we are again witnessing a harsh second wave of Covid-19 affecting the health of humans on a scale never seen before. This in turn has affected the global economy which was just recovering from the onslaught of the first wave. However, it is expected that the Global economy would turn around creditably even during the current financial year.

Indian Economy

The Indian Economy slid to -8% in 2020 with growth deceleration further compounded by the lockdown. The impact of the pandemic and lockdown was disproportionately felt across industries. While industries such as manufacturing, trade, travel, tourism and hospitality were impacted immediately, the impact on the financial sector was felt much later. Strong demand was however

seen for essential goods in the Retail sector, including domestic and kitchen appliances, primarily on the online platform. Signs of revival were evident in the second half of the year, with the promise of indigenously produced vaccines in the country offering a strong sense of hope and revival. There was an uptick in manufacturing activity across sectors as companies and people learnt to navigate the hurdles of the pandemic and adapted to the new normal. The Niti Aayog and Reserve Bank of India project a GDP growth in the range of 10.00% to 10.50% for the year 2021-22. However, the resurgence and uptick in pandemic cases could very easily tilt the economic growth balance to the downside. It is heartening to note that the Union Budget for the current financial year contains a good number of growth propelling investment proposals as a part of Atma Nirbhar Bharat program which will accelerate the growth of the economy and provide jobs to millions. These proposals would definitely promote growth across all sectors.

Sectoral Outlook

The kitchen appliances industry in India saw good traction, driven by the rise in the aspirational living standards of the consumers and a shift in the cooking habits post Covid-19, which encouraged people to opt for home cooked food driven by health concerns. The Government simultaneously took various measures to infuse liquidity into the market, as a result of which the Company could penetrate into the market on a large scale benefiting in terms of both top line and the bottom line. Because of larger demand for the Company's products and availability of credit, the Company could bring about reduction in costs. In addition, there is a large, untapped market with low penetration of several home and kitchen appliances in the country. The growing number of households with nuclear families and individuals living in rented apartments, also offers a huge potential for the kitchen appliances industry.

The tectonic shift in the way people work, live and relax has changed consumer behaviour and attitude with the focus on the 3 C's of convenience, connectedness and customization, with a preference for innovative, personalised and easy to use products and experiences.

Companies that are tuned to the changing customer can come out with new products with a head-start on innovation. These agile Companies have the greatest chance of success in a post pandemic world.

Opportunities and Threats

According to Industry Analysts, six major trends are projected to dictate the Indian Home Appliances Industry in 2021.

Focus on Domestic Manufacturing

Supply chain disruptions from trade tensions, such as stand-off with China, logistics lockjam due to lockdown and geo political changes, affected many industries, including Kitchen appliances, with an acute shortage of components.

To counterbalance this risk, many companies in the home appliances sector have already started to 'Manufacture in India', reducing or eliminating their dependence on imported components with products curated for the Indian market and domestic needs.

BGMAL, as one of the leading manufacturers of Kitchen appliances, leveraged on its multi-plant, indigenous production capabilities to cater to the burgeoning market demand with on-time deliveries. With almost 80% of the products manufactured in-house, the Company is well insulated from third-party dependent supply chain disruptions.

Home Utility & Wellness Products

Home Utility & Wellness Products are projected to become the main growth drivers. With the culture of work-from-home and remote learning gaining in importance, utilitarian, health-centric products which are in sync with the 'stay-at-home' and 'do-things-yourself' lifestyle are growing in demand.

Reliability has become very important for a brand as consumers avoid in-home service calls to maintain social distance. BGMAL's widest range of kitchen appliances made from the highest quality stainless steel are 'good for a lifetime' and come with the Butterfly guarantee of Quality and Durability

Digital Acceleration

Online and digital engagement gained prominence across the world as customers opted for safe, hassle free, contactless transactions from the safety of their homes. The

growth of e-commerce volumes and on-line spending per customer in tier-II and tier-III cities in India is outpacing that in tier-I cities.

During the year, the home appliances sector recorded its highest growth from on-line sales, with both big and small-sized companies, recalibrating their business strategies to stay relevant.

To engage and interact with customers, specially tech-savvy millennials, even traditional home appliance players will need to transition from the pure 'brick and mortar' stores to go 'phygital' (physical+digital), to market their products and optimize sales.

Your Company accelerated its digital presence providing customers a comfortable, safe and seamless buying experience. Online sales during the year recorded the highest growth as against the previous year. In addition, retail outlets for a physical interface with the customers, were also opened across regions.

Futuristic Technologies

The marked shift in consumer behaviour, with an increasing affinity for Smart and Connected devices, integrated to IoT (Internet of Things) and AI (Artificial Intelligence) have begun to redefine Cooking and Domestic Kitchen Appliances. To stay ahead of the curve, the Company has to seize this opportunity and establish its presence in this new and dynamically evolving space.

At BGMAL, strategic plans have been drawn for the next phase of growth with automation, future-driven product technologies and innovation for market leadership.

Value-driven Buying

A major shift was seen in consumer behaviour with preference for branded products over cheap, non branded products, with quality and value being given prime importance over price. This shift in consumer behaviour augurs well for established players offering high quality products like BGMAL. The Company's popular Butterfly brand is well known for its Quality and Durability and enjoys near iconic status among discerning customers.

BGMAL's pan India presence and a well established channel network provides it a competitive advantage to counterbalance regional disruptions and market vulnerabilities, while giving it the space to explore untapped opportunities.

Green and Sustainable

The pandemic outbreak has reiterated the importance of a collective commitment towards the environment and for protecting Planet Earth.

At BGMAL, sustainability is at the core of our work culture from green, enviro-friendly practices, manufacturing processes, to innovative product design that focuses on health, fuel efficiency and reducing carbon footprint.

Your Company

Despite the challenging environment, your Company forged ahead on its growth track, moving the needle, to peak performance and profitability.

How did the year play out

Q1- 2020-21

The first quarter of the year came with multiple challenges, with the lockdown paralysing operations from 23rd March to 8th May, 2020. Manufacturing constraints with staggered operations, reduced labour, supply chain disruptions, rising import costs of components and a retail slowdown amplified the woes, sending business results on a tail spin. Sales at all product verticals saw a drastic drop while Revenue plummeted downward by 49.5% compared to the same period the previous year.

Q2- 2020-21

The Company made a strong turnaround in Q2 of FY 2021 with a record Turnover and Profitability. Stringent safety and hygiene protocols ensured uninterrupted manufacturing operations to meet the burgeoning market demand as sales in the Retail Channel grew more than 25.8%. Concerted measures were taken to minimize Fixed Cost while the Distributor / Dealer Channel Finance facility availed by the Company offering Cash discount for early collection from the Distributors led to reduction in debtors and significant saving in finance cost.

In true Butterfly spirit, the strong performance led to raising the bar and resetting business targets for the year.

Q3- 2020-21

During the Third Quarter, the Company once again repeated a record-breaking quarterly result in EBIDTA and Profitability, with Retail Sales rising on an upward graph of 78.8%. The

Company managed to achieve the target set for the whole year by the end of Q3, demonstrating its resilience and resurgence.

Your Company launched a wide range of innovative products under the Butterfly brand to address new and emerging opportunities in the kitchen appliances space.

Q4- 2020-21

The Company continued its momentum registering a topline growth of 86.4% in Q4. The performance on enhanced targets set at the end of the second Quarter was nearly met with good sales growth resonating with the Butterfly Spirit of pushing against limits.

Financial Performance

Focused fiscal prudence, calibrate cost and inventory management, paring down of interest cost and debt vulnerabilities ensured a strong balance sheet.

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

Revenue from Operations for FY 2020-21 was at ₹ 86,963.81 lakhs as against ₹ 67,869.50 lakhs during the previous year.

₹ in Lakhs

Product	FY 2020-21	FY 2019-20
Kitchen Appliances	67,343.40	51,734.02
Cooker/ Cookware	16,372.06	12,373.37
Others	3,248.35	3,762.11

Finance Cost was ₹ 1,737.30 lakhs for the year ended 2020-21 as against ₹ 2,413.41 lakhs in 2019-20.

Total Net Income for FY20-21 stood at ₹ 3,667.79 lakhs, as against ₹ 326.54 lakhs, in FY 2019-20 recording a significant growth of more than 10 fold YoY.

Long Term Borrowings of the Company decreased from ₹ 3,230.44 Lakhs in 2019-20 to ₹ 1,155.41 Lakhs in 2020-21. Long Term Debt is 0.05 times of equity as against 0.17 times of equity in the previous year. Working Capital Borrowing was Nil as against ₹ 12,686.81 lakhs as on 31 March, 2020.

Short-term borrowing decreased significantly due to lower working capital days from 108 days in 2019-20 to 37 in the current year.

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

Depreciation was at ₹ 1,555.17 Lakhs as on March 31, 2021 under study when compared to ₹ 1,393.74 Lakhs the previous year.

Fixed Assets: The Company incurred ₹ 1,008.69 Lakhs on Capital Expenditure during the year.

Investments of the Company as at March 31, 2021 stood at ₹ 28.41 Lakhs as against ₹ 18.40 Lakhs in the previous year.

EBIDTA (Earnings Before Interest, Depreciation, Tax And Amortization) for the year stood at ₹ 8,127.33 Lakhs as against ₹ 4,219.95 Lakhs in FY20, a growth of 92.6% YoY.

PBT (Profit Before Tax) for the year stood at ₹ 4,834.86 lakhs, as against 412.80 lakhs, the previous year. An increase of more than ten fold due to operating leverage and higher topline.

PAT (Profit After Tax) for the year ended 2020-21 stood at ₹ 3,615.81 Lakhs, as against ₹ 397.90 lakhs in the previous year 2019-20.

The Company reported an increase of more than nine fold in PAT due to operating leverage and higher top line.

Key Financial Ratios

Particulars	2020-21	2019-20	Change in %
Debtors Turnover Ratio	9.10	5.82	38.49%
Inventory Turnover Ratio	2.91	2.50	31.36%
Interest Coverage Ratio	4.68	1.75	167.55%
Current Ratio	1.24	1.17	6.54%
Debt/ Equity Ratio (%)	0.12	0.88	-85.89%
Operating Profit Margin (%)	9.16	6.00	52.65%
Net Profit Margin (%)	4.22	0.48	776.61%
Return on Network	16.37	1.69	866.15%

Note: During the year, since the Top line and Profitability increased drastically, there is a change in Ratios and which all are positive.

Outlook

The Company has drawn plans for quantum growth for the financial year 2021-22 capitalising on the growing market demand. Leveraging on its established position as an integrated manufacturer of kitchen appliances and its brand strength, the Company will expand its pan India presence into unexplored markets adopting the phygital model of engaging with the customer both in the retail outlets and on a dynamic, on-line platform. The second wave of Covid-19, has caused disruptions in the planning and execution process but your Company is taking various measures to improve efficiencies and hopes to achieve the planned level of operations.

Global economic changes, the volatility of oil prices and fluctuations in currency and commodity can impact overall market demand.

The Company's multi-plant operations and its strong financial strength are expected to serve as a buffer against disruptions and business vulnerabilities and provide it the necessary headroom to achieve growth targets.

Risks Management

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

BGMAL implements comprehensive risk management practices across its operations. All fixed assets are covered by insurance policy and the renewals are made in time. The Company also ensures the highest degree of safety for employees across locations. At factories regular machinery inspections are conducted to ensure functionality of the machinery and to detect potential hazards that could cause accidents at the workplace. Similarly, periodic maintenance checks of equipment are conducted to ensure 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.

Internal Control Systems

The Company has 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) system, with advanced AI software, helps the senior management with data driven insight to monitor every aspect of the business in real time and make speedier decisions.

The Company strictly adheres to mandated guidelines and follows all Accounting Standards prescribed for maintenance of books of account and reporting of financial statements. The 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 and the Board of Directors and corrective measures are recommended and appropriate actions taken. The Internal Control systems ensure the business operations function efficiently and the applicable laws, rules, regulations, policies of the Company are followed, in addition to safeguarding the reliability of financial reporting.

Capital Expenditure

For FY 2019-2020, a capital expenditure of ₹ 1,590.37 lakhs was incurred for modernisation of infrastructure facilities, machinery / equipment and tools / dies. For FY 2020-21, a capital expenditure of ₹ 1,008.69 lakhs were spent for automation of operations, equipment, etc.,

Balance Sheet

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

Accounting Treatment

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

Human Resources

At BGMAL, a progressive people policy is embedded in the Company's work culture. The workforce composition of 1323 employees, is diverse and inclusive with a significant percentage of women in the team. People are valued as the greatest asset and in line with this, opportunities for growth and career advancement is provided to employees through on-the-job training, skill development programmes and capability building workshops.

Inherent in the work culture is the Company's commitment to its five cardinal rules of Trust, Transparency, Honesty, Sincerity and Accountability.

The Company maintains an amicable industrial relations at all its Plants, with competitive remuneration awarded to employees on a timely basis. This ensures goal alignment between the Management and the employees, to work in tandem for business growth.

Demonstrating the Butterfly Spirit of pushing limits, of daring to go beyond, the empowered people force at BGMAL worked in unison to touch greater heights in perseverance and performance.

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 expressed 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

FORM NO.AOC-2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act 2013 including certain 'arm's length' transaction under third proviso thereto, for the financial year ended 31.03.2021.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangements or transactions at arm's length basis/related party's appointment to any office of profit in the Company

Sl. 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	01.04.2020 to 31.03.2021	Aggregate value of Purchase of goods - not exceeding ₹ 1000 lakhs Aggregate value of Sale of goods- not exceeding ₹ 10 lakhs	13.05.2020	NIL
2	Sivagurunathan Industries - Partners are relatives of Messrs. V.M. Lakshminarayanan, Chairman & Managing Director and V.M. Gangadharam, Executive Director	Purchase of goods Sale of goods	01.04.2020 to 31.03.2021	Aggregate value of Purchase of goods - not exceeding ₹ 600 lakhs. Aggregate value of Sale of goods - not exceeding ₹ 200 lakhs	13.05.2020	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 including job works. Sale of goods	01.04.2020 to 31.03.2021	Aggregate value of Purchase of goods-not exceeding ₹ 300 lakhs. Aggregate value of Sale of goods - not exceeding ₹ 100 lakhs	13.05.2020	NIL
4	Chrysalis Home Needs Private Limited - Directors are relatives of Mr.V.M.Seshadri, Managing Director.	Sale of goods	01.04.2020 to 31.03.2021	Aggregate value of Sale of goods - not exceeding ₹ 10 lakhs	13.05.2020	NIL
5	H&S Supply Chain Services Pvt.Ltd - Directors are relatives of Mr.V.M.Seshadri, Managing Director	Providing 3PL Logistic services. Sale of goods	01.04.2020 to 31.03.2021	Aggregate value for the services rendered - not exceeding ₹ 4700 lakhs Aggregate value of Sale of goods - not exceeding ₹ 20 lakhs.	13.05.2020 19.02.2021	NIL
6	Swaminathan Enterprises Private Limited - Directors are relatives of Mr. V.M. Seshadri, Managing Director	Purchase of goods Sale of goods	01.04.2020 to 31.03.2021	Aggregate value of Purchase of goods-not exceeding ₹ 1750 lakhs. Aggregate value of sales not exceeding ₹ 100 lakhs	13.05.2020 04.11.2020 19.02.2021	NIL

Sl. 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,
7	B-Cube Ventures LLP - Partners are relative of Mr.V.M. Balasubramaniam, Vice Chairman & Managing Director.	Providing Travel and Tour Services. Sale of goods	01.04.2020 to 31.03.2021	Aggregate value of the services rendered - not exceeding ₹ 500 lakhs. Aggregate value of sales not exceeding ₹ 10 lakhs.	13.05.2020	NIL
8	Rishaba Industries LLP - Partners are relatives of Mr. V.M. Kumaresan, Executive Director-Technical	Purchase of goods Sale of goods	01.04.2020 to 31.03.2021	Aggregate value of Purchase of goods-not exceeding ₹1100 Lakhs. Aggregate value of sales not exceeding ₹ 200 lakhs	13.05.2020 04.11.2020	NIL
9	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 - ₹ 43.20 lakhs p.a.	26.7.2013 (special resolution at AGM)	NIL
10	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 - ₹ 41.90 lakhs p.a.	26.7.2013 (special resolution at AGM)	NIL
11	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 - ₹ 41.90 lakhs p.a.	26.7.2013 (special resolution at AGM)	NIL
12	Mr. V.M.L. Ganesan - son of Mr. V.M. Lakshminarayanan, Chairman & Managing Director	Holding office or place of profit in the Company	From 01.06.2013 onwards	Working as Vice President - Finance. Salary - ₹ 40.61 lakhs p.a.	26.7.2013 (special resolution at AGM)	NIL
13	Mr. V.M.G. Mayuresan - son of Mr.V.M. Gangadharam, Executive Director	Holding office or place of profit in the Company	From 01.06.2013 onwards	Working as Vice President- Corporate Strategy. Salary - ₹ 39,74 lakhs p.a.	26.7.2013 (special resolution at AGM)	NIL

ANNEXURE III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Butterfly Gandhimathi Appliances Limited (CIN: L28931TN1986PLC012728)** (Hereinafter called as “the Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, 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, 2021 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, 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (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, 2018.

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

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

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

We have also examined the applicable clauses of the following:

- (i) Listing Agreement entered into by the Company with BSE Limited & National Stock Exchange of India Limited.
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- 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 based on the written representations received from the officials/executives of the Company, we state that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines.

We further report that during the year under review the Company has transferred a sum of ₹ 11,15,155/- being the unclaimed/unpaid dividend, pertaining to the financial year 2012-13, to the Investor Education and Protection Fund as prescribed under Section 124 of the Companies Act, 2013.

Sd/-

For A.K JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner

FCS No. 5869

C. P. No. 3550

UDIN: F005869C000245955

Place : Chennai

Date : 05.05.2021

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

'Annexure -1'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

For A.K JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner

FCS No. 5869
C. P. No. 3550

UDIN: F005869C000245955

Place : Chennai
Date : 05.05.2021

ANNEXURE IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

[A] Conservation of Energy:

The Company has a well organised, structured and continuous focus on improvement in efficiency of the machine, utility and infrastructure. Some of the key initiatives for conserving energy saving during the financial year 2020-2021 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 for Induction motors and saving energy.
6. Switching OFF the high capacity motors in Presses & Compressors if running idle for specified time.

[B] Technology absorption:

- (i) The efforts made towards technology absorption:
Regular initiatives are taken in updating the technology in the process area.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
The benefits derived include product improvement and deduction in labour cost.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - (a) The details of technology imported - No technology has been imported.
 - (b) The year of import – Not Applicable
 - (c) Whether the technology been fully absorbed - Not Applicable
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable
- (iv) the expenditure incurred on Research and Development:

		(₹ in lakhs)	
		2020-21	2019-20
(a)	Capital	86.93	86.42
(b)	Recurring	105.17	101.36
(c)	Total	192.10	187.78

[C] Foreign Exchange earnings and outgo:

		(₹ in lakhs)	
		2020-21	2019-20
	Foreign Exchange earnings	1,003.51	1,480.72
	Foreign Exchange outgo	7,906.94	7,548.24

Place : Chennai
Date : 17.5.2021

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, 2021.
[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	Mixer Grinder	27501	29.08
2	LPG Stove	27504	25.67
3	Pressure Cooker	27504	15.06
4	Table Top Wet Grinder	27501	11.73

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					

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

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	5027607	0	5027607	28.12	5028607	0	5028607	28.12	0.01
(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)	11581272	0	11581272	64.77	11582272	0	11582272	64.78	0.01
(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)	11581272	0	11581272	64.77	11582272	0	11582272	64.78	0.01
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	1085281	30	1085311	6.07	1276200	30	1276230	7.14	-1.07
(b) Banks / FI	64832	2000	66832	0.37	11	2000	2011	0.01	0.36
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt(s).	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Portfolio Investor	290050	0	290050	1.62	5000	0	5000	0.03	1.59
(i) Any other : Alternate Investment Fund	487458	0	487458	2.73	88021	0	88021	0.49	2.24
Sub-Total (B)(1)	1927621	2030	1929651	10.79	1369232	2030	1371262	7.67	3.12
(2) Non-Institutions									
(a) Bodies Corporate									
(i) Indian	259966	2729	262695	1.47	362575	2729	365304	2.04	-0.57
(ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) Individuals									
(i) Individual Shareholders holding Nominal Share Capital up to ₹ 1 lakh	2348763	667983	3016746	16.87	2072734	657406	2730140	15.27	1.60
(ii) Individual Shareholders holding Nominal Share Capital in excess of ₹ 1 lakh	857917	0	857917	4.80	1643678	0	1643678	9.19	-4.39
(c) Others (specify)									
(i) Non Resident Indians	189161	2303	191464	1.07	158489	2303	160792	0.90	0.17
(ii) Clearing Members	39455	0	39455	0.22	25752	0	25752	0.14	0.08
(iii) Clearing Members	351	0	351	0.00	351	0	351	0.00	0.00
Sub-Total (B)(2)	3695613	673015	4368628	24.43	4263579	662438	4926017	27.55	-3.12
Total Public Shareholding (B) = (B)(1) + (B)(2)	5623234	675045	6298279	35.23	5632811	664468	6297279	35.22	0.00
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	17204506	675045	17879551	100.00	17215083	664468	17879551	100.00	0.00

(ii) Shareholding of Promoters

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	978344	5.47	0	-1.53
2	V. M. LAKSHMINARAYANAN	1000965	5.60	0	698530	3.91	0	-1.69
3	V. M. BALASUBRAMANIAM	570130	3.19	0	783529	4.38	0	1.19
4	V. M. GANGADHARAM	494083	2.76	0	775229	4.34	0	1.58
5	V. M. KUMARESAN	487804	2.73	0	782422	4.38	0	1.65
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	4351	0.02	0	1.20
11	V. M. L. KARTHIKEYAN	76700	0.43	0	76700	0.43	0	0.00
12	V. M. S. NAMASIVAYAM	16495	0.09	0	16495	0.09	0	0.00
13	GANGADHARAM VISWANATHAN	16100	0.09	0	16100	0.09	0	0.00
14	V. M. L. SENTHILNATHAN	11055	0.06	0	11055	0.06	0	0.00
15	V. M. L. KARTHIKEYAN	6000	0.03	0	7000	0.04	0	0.01
16	V. M. G. MAYURESAN	3311	0.02	0	3311	0.02	0	0.00
17	V. M. S. KUMARAGURU	3344	0.02	0	3344	0.02	0	0.00
18	LLM APPLIANCES PRIVATE LIMITED	3046565	17.04	0	3046565	17.04	0	0.00
19	V M CHETTIAR AND SONS INDIA LLP	3507100	19.62	0	3507100	19.62	0	0.00
	Total	11581272	64.77	0	11582272	64.78	0	0.00

(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	11581272	64.77	11581272	64.77
1	Inter-se transfer - 26/03/2021 (V. M. SESHADRI)	273329	1.53	11307943	63.25
2	Inter-se transfer - 26/03/2021 (V. M. LAKSHMINARAYANAN)	302435	1.69	11005508	61.55
3	Inter-se transfer - 26/03/2021 (V. M. BALASUBRAMANIAM)	213399	1.19	11218907	62.75
4	Inter-se transfer - 26/03/2021 (V. M. GANGADHARAM)	281146	1.57	11500053	64.32
5	Inter-se transfer - 26/03/2021 (V. M. KUMARESAN)	294618	1.65	11794671	65.97
6	Inter-se transfer - 26/03/2021 (V. M. S. KARPAGAM)	213399	1.18	11581272	64.77
7	Purchase - 11/02/2021 (V. M. L. KARTHIKEYAN)	1000	0.01	11582272	64.77
	Total at the end of the year	11581272	64.77	11582272	64.78

(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 (1.4.20 to 31.3.21)	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1	IDFC STERLING EQUITY FUND	630000	3.52	26-Jun-20	20000	bought-Demat	650000	3.64
				13-Aug-20	31999	bought-Demat	681999	3.81
				28-Aug-20	18001	bought-Demat	700000	3.92
				04-Sep-20	10000	bought-Demat	710000	3.97
				30-Sep-20	2500	bought-Demat	712500	3.98
				16-Oct-20	2500	bought-Demat	715000	4.00
				18-Dec-20	9495	sold-Demat	705505	3.95
25-Dec-20	5505	sold-Demat	700000	3.92				
2	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND	429246	2.40	05-Jun-20	5000	bought-Demat	434246	2.43
				12-Nov-20	6069	bought-Demat	440315	2.46
				25-Dec-20	4850	bought-Demat	445165	2.49
3	DOLLY KHANNA	151315	0.85	10-Apr-20	4000	sold-Demat	147315	0.82
				24-Apr-20	16000	sold-Demat	131315	0.73
				01-May-20	4000	sold-Demat	127315	0.71
				08-May-20	5000	sold-Demat	122315	0.68
				15-May-20	9000	sold-Demat	113315	0.63
				22-May-20	8000	sold-Demat	105315	0.59
				29-May-20	3000	sold-Demat	102315	0.57
				19-Jun-20	10000	sold-Demat	92315	0.52
				26-Jun-20	5000	sold-Demat	87315	0.49
				30-Jun-20	4000	sold-Demat	83315	0.47
03-Jul-20	8000	sold-Demat	75315	0.42				

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 (1.4.20 to 31.3.21)	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
				10-Jul-20	6145	sold-Demat	69170	0.39
				17-Jul-20	6000	sold-Demat	63170	0.35
				24-Jul-20	4000	sold-Demat	59170	0.33
				31-Jul-20	22328	sold-Demat	36842	0.21
				07-Aug-20	7683	sold-Demat	29159	0.16
				13-Aug-20	7280	sold-Demat	21879	0.12
				28-Aug-20	7000	bought-Demat	28879	0.16
				04-Sep-20	15000	bought-Demat	43879	0.25
				11-Sep-20	12080	bought-Demat	55959	0.31
				18-Sep-20	16680	bought-Demat	72639	0.41
				25-Sep-20	21064	bought-Demat	93703	0.52
				30-Sep-20	3634	bought-Demat	97337	0.54
				09-Oct-20	28996	bought-Demat	126333	0.71
				16-Oct-20	2000	bought-Demat	128333	0.72
				23-Oct-20	22435	bought-Demat	150768	0.84
				30-Oct-20	14986	bought-Demat	165754	0.93
				06-Nov-20	7328	bought-Demat	173082	0.97
				12-Nov-20	25007	bought-Demat	198089	1.11
				20-Nov-20	12986	bought-Demat	211075	1.18
				27-Nov-20	6975	bought-Demat	218050	1.22
				04-Dec-20	15000	bought-Demat	233050	1.30
				11-Dec-20	6000	bought-Demat	239050	1.34
				18-Dec-20	9000	bought-Demat	248050	1.39
				25-Dec-20	7000	bought-Demat	255050	1.43
				31-Dec-20	13000	bought-Demat	268050	1.50
				15-Jan-21	7000	bought-Demat	275050	1.54
				12-Feb-21	10000	bought-Demat	285050	1.59
				03-Mar-21	2000	sold-Demat	283050	1.58
				19-Mar-21	2000	bought-Demat	285050	1.59
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EQUITY FUND	0	0.00	19-Mar-21	80000	bought-Demat	80000	0.45
				26-Mar-21	25000	bought-Demat	105000	0.59
5	EUREKA COMMODITY BROKERAGE PVT. LTD.	5977	0.03	24-Apr-20	4992	sold-Demat	985	0.01
				01-May-20	500	sold-Demat	485	0.00
				12-Jun-20	485	sold-Demat	0	0.00
				28-Aug-20	76	bought-Demat	76	0.00
				04-Sep-20	48000	bought-Demat	48076	0.27
				11-Sep-20	10000	bought-Demat	58076	0.32

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 (1.4.20 to 31.3.21)	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
				18-Sep-20	11924	bought-Demat	70000	0.39
				25-Sep-20	12308	bought-Demat	82308	0.46
				06-Nov-20	3000	bought-Demat	85308	0.48
				12-Nov-20	1536	bought-Demat	86844	0.49
				27-Nov-20	3156	bought-Demat	90000	0.50
6	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II	105359	0.59	25-Sep-20	17338	sold-Demat	88021	0.49
7	MUKUL MAHAVIR AGARWAL	0	0.00	27-Nov-20	65337	bought-Demat	65337	0.37
				25-Dec-20	13513	bought-Demat	78850	0.44
				31-Dec-20	10000	bought-Demat	88850	0.50
				15-Jan-21	1150	bought-Demat	90000	0.50
				19-Mar-21	3983	sold-Demat	86017	0.48
8	SAROJ AGARWAL	0	0.00	13-Aug-20	6095	bought-Demat	6095	0.03
				14-Aug-20	1905	bought-Demat	8000	0.04
				21-Aug-20	20000	bought-Demat	28000	0.16
				04-Sep-20	1000	bought-Demat	29000	0.16
				04-Dec-20	1000	bought-Demat	30000	0.17
				25-Dec-20	2100	bought-Demat	32100	0.18
				05-Feb-21	6000	bought-Demat	38100	0.21
				12-Feb-21	4100	sold-Demat	34000	0.19
				26-Feb-21	3000	bought-Demat	37000	0.21
				03-Mar-21	3350	bought-Demat	40350	0.23
				05-Mar-21	1150	bought-Demat	41500	0.23
				12-Mar-21	3000	bought-Demat	44500	0.25
				19-Mar-21	30883	bought-Demat	75383	0.42
				26-Mar-21	1564	bought-Demat	76947	0.43
9	SURENDRA KUMAR JAIN	61600	0.34	-	0	-	61600	0.34
10	ALLWYN DSOUZA	54800	0.31	03-Apr-20	3000	bought-Demat	57800	0.32
				10-Apr-20	200	bought-Demat	58000	0.32
				19-Jun-20	2500	bought-Demat	60500	0.34
				24-Jul-20	1500	bought-Demat	62000	0.35
				13-Aug-20	2000	bought-Demat	64000	0.36
				23-Oct-20	500	sold-Demat	63500	0.36
				30-Oct-20	500	sold-Demat	63000	0.35
				22-Jan-21	1000	sold-Demat	62000	0.35
				29-Jan-21	750	sold-Demat	61250	0.34
				05-Feb-21	175	sold-Demat	61075	0.34

(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	-273329	-1.53
				978344	5.47
2	V. M. LAKSHMINARAYANAN	1000965	5.60	-302435	-1.69
				698530	3.91
3	V. M. BALASUBRAMANIAM	570130	3.19	213399	1.19
				783529	4.38
4	V. M. GANGADHARAM	494083	2.76	281146	1.57
				775229	4.34
5	V. M. KUMARESAN	487804	2.73	294618	1.65
				782422	4.38

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

Sl. No.	Name of the shareholder	31st March 2020		31st March 2021	
		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	978344	5.47
2	LLM APPLIANCES PRIVATE LIMITED	3046565	17.04	3046565	17.04
3	V.M.CHETTIAR & SONS INDIA LLP	3507100	19.62	3507100	19.62

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

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year April 1, 2020				
i) Principal Amount	15,631.31	1,402.00	-	17,033.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	83.54	-	-	83.54
Total (i+ii+iii)	15,714.85	1,402.00	-	17,116.85
Change in Indebtedness during the financial year				
* Addition	1,122.07	-	-	1,122.07
* Reduction	13,960.09	1,402.00	-	15,362.09
Net Change	-12,838.02	-1,402.00	-	-14,240.02

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year March 31, 2021				
i) Principal Amount	2,793.29	-	-	2,793.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20.47	-	-	20.47
Total (i+ii+iii)	2,813.76	-	-	2,813.76

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager

(₹ in lakhs)

Sl. 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	62.28	61.24	60.20	58.13	58.13	299.98
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	13.65	13.43	13.20	12.75	12.75	65.78
	(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	8.00	7.86	7.73	7.46	7.46	38.51
	Total (A)	83.93	82.53	81.13	78.34	78.34	404.27
	Ceiling as per the Act *	NA	NA	NA	NA	NA	NA

B. Remuneration to other Directors:

Sl. No.	Name of Directors	Fee for attending Board / Committee Meetings (₹)
1	K. Ganesan (Independent Director)	8,10,000
2	M. Padmanabhan (Independent Director)	8,10,000
3	A. Balasubramanian (Independent Director)	5,50,000
4	G.S. Samuel (Independent Director)	2,50,000
5	T.R. Srinivasan (Independent Director)	2,50,000
6	Mrs. Maheshwari Mohan (Woman Independent Director)	2,50,000
	TOTAL	29,20,000

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

(₹ 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.	19.45	15.29	34.74
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961.	5.25	10.17	15.42
(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	-	-	-
	Contribution to PF/Superannuation Funds	1.71	1.30	3.01
	Total	26.41	26.76	53.17

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 2021 apart from a meagre amount of ₹ 9,440/- which was levied by the Stock Exchanges due to delay in filing of Annual Report 2020. This delay was caused due to Covid related lock-down. The Company sought waiver of the same.

ANNEXURE VI

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

1. Ratio of the remuneration to each Whole Time Director to the median remuneration of the employees of the Company for the financial year ended on 31.3.2021

Name of Director	Ratio of remuneration to the median remuneration of the Company's employees
Mr. V.M. Lakshminarayanan	1:35
Mr. V.M. Balasubramaniam	1:34
Mr. V.M. Seshadri	1:33
Mr. V.M. Gangadharam	1:32
Mr. V.M. Kumaresan	1:32

2. Percentage increase in remuneration of each Whole Time Director, in the financial year ended on 31.3.2021:

There was no increase in remuneration of any one of the above named in the financial year ended on 31.3.2021.

3. Percentage increase in the median remuneration of employees in the financial year ended on 31.3.2021:

There was an increase of 3.88% in the median remuneration of employees in the financial year ended on 31.3.2021.

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

There were 1323 permanent employees on the rolls of Company as on 31.3.2021.

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:

During the FY 2020-21, due to the COVID -19 Pandemic, there is no increase in salary of both Managerial persons and other than Managerial persons.

The salary got reduced during the year to some extent at various position.

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid to the managing/whole-time Directors and other executives/employees of the Company is as per the remuneration policy of the Company.

Place : Chennai
Date : 17.5.2021

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

Statement pursuant to section 197 (12) read with Chapter XIII Rule 5(3) of the Companies Act, 2013
Particulars of top ten employees employed in terms of remuneration drawn

Sl. No.	Name/(Age)	Designation of the Employees	Remuneration (₹ 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 (73)	Chairman & Managing Director	83.93	Full Time	Matriculation	01.12.2011	Managing Director of Gangadharam Appliances Ltd	3.91	Brother of Messrs. V.M.Balasubramaniam V.M.Seshadri V.M.Gangadharam and V.M.Kumaresan
2	V.M.Balasubramaniam (71)	Vice Chairman & Managing Director	82.53	Full Time	Matriculation	01.08.2014	Executive Director of Gangadharam Appliances Ltd	4.38	Brother of Messrs. V.M.Lakshminarayanan V.M.Seshadri V.M.Gangadharam and V.M.Kumaresan
3	V.M.Seshadri (69)	Managing Director	81.13	Full Time	Matriculation	01.06.2011	Executive Director of Gangadharam Appliances Ltd	5.47	Brother of Messrs. V.M.Lakshminarayanan V.M.Balasubramaniam V.M.Gangadharam and V.M.Kumaresan
4	V.M.Gangadharam (66)	Executive Director	78.34	Full Time	Matriculation	01.10.1994	Executive Vice President – Production of Gangadharam Appliances Ltd	4.34	Brother of Messrs. V.M.Lakshminarayanan V.M.Balasubramaniam V.M.Seshadri and V.M.Kumaresan
5	V.M.Kumaresan (58)	Executive Director - Technical	78.34	Full Time	Matriculation	01.06.2007	Director of Butterfly Electrical & Electronics Pvt. Ltd	4.38	Brother of Messrs. V.M.Lakshminarayanan V.M.Balasubramaniam V.M.Seshadri and V.M.Gangadharam
6	Rajamani Viswanathan (49)	Sr. Vice President-Sales and Marketing	58.71	Full Time	B.Com. P.G.Diploma in Marketing and System Management	26.03.2018	Sr. G.M Sales and Marketing in Videocon Industries Ltd	Nil	Nil
7	Karthikeyan V.M.L. (47)	Sr. Vice President - Marketing	42.16	Full Time	B.E.(Mech)	01.06.2007	Nil	0.47	Son of Mr. V.M. Lakshminarayanan
8	Viswanathan G (43)	Sr. Vice President-Materials Management	40.90	Full Time	B.E.(Mech), MEP at IIMA	01.10.2001	Nil	0.09	Son of Mr. V.M. Gangadharam
9	Senthilnathan V.M.L. (43)	Sr. Vice President-Technical	40.90	Full Time	Matriculation	01.04.1999	Nil	0.06	Son of Mr. V.M. Lakshminarayanan
10	Ganesan L (41)	Vice President-Marketing	39.63	Full Time	B.Com Business Management Course	06.05.2009	Nil	Nil	Son of Mr. V.M. Lakshminarayanan

Place : Chennai
Date : 17.5.2021

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. Brief outline on CSR Policy of the Company.

The Company have always been contributing to CSR activities much before it became 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. This policy encompasses the Company's philosophy for fulfilling its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/projects and programmes for welfare, sustainability and development of community at large. The Company considers society as an important stake-holder and will strive to discharge its responsibilities to the society proactively.

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. T. R. Srinivasan	Independent Director Chairman	Nil	Nil
2.	Mr. V.M.Lakshminarayanan	Chairman & Managing Director Member	Nil	Nil
3.	Mr. G.S.Samuel	Independent Director Member	Nil	Nil

3. Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

- The composition of the CSR committee is available on our website: www.butterflyindia.com
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website at www.butterflyindia.com

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not Applicable

5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

The Company did not reached the minimum threshold limits as stipulated in Sub-rule (3) of Rule 7 for the financial year 2020-2021.

6. Average net profit of the Company as per Sec 135(5): Loss of ₹ 4,092.86 Lakhs

- a. Two percent of average net profit of the Company as per Section 135(5) - NA
- b. Surplus arising out of the CSR projects or programs or activities of the previous financial years - NIL
- c. Amount required to be set-off for the financial year, if any - NIL
- d. Total CSR obligation for the financial year (7a+7b-7c) - NIL

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.

NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.

NIL

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable - NOT APPLICABLE

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - NIL

(g) Excess amount for set off, if any - NIL

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – NOT APPLICABLE

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- NOT APPLICABLE

for and on behalf of the Board of Directors

Place : Chennai
Date : 17.5.2021

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 2020 to 31 st March 2021
7.	Sector(s) that the Company is engaged in (Industrial activity code-wise)	27504 and 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.
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	4
	(ii) Corporate Office	1
	(iii) Branches	16
	(iv) Showroom	1
	(v) Service Centre	16
10.	Markets served by the Company – Local/State/ National / International	Serves Local, State, National and International Markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

(₹ in lakhs)

1.	Paid up Capital (INR)	1787.96
2.	Total Turnover (INR)	86963.81
3.	Total Profit after taxes (INR)	3615.81
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	NA
5.	List of activities in which expenditure in 4 above has been incurred	NA

SECTION C: OTHER DETAILS:

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

SECTION D: BR INFORMATION:

1. Details of Director/Directors responsible for BR:

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

- DIN : 00106506
Name : V.M.Seshadri
Designation ; Managing Director
- 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.

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders The policy(ies) has been framed keeping in mind the interests of the stakeholders at large.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify (50 words) The various practices/processes emanating out of the policy(ies) conform to national/international standards.	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? The policy(ies) has been disseminated on the website of the Company.	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? The individual policies by and large prescribed a grievance redressal mechanism for the stakeholders concerned. Wherever, the individual policies do not explicitly state the grievance redressal mechanism, grievance can be addressed to cs@butterflyindia.com	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**

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

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	It is planned to be done with next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR:

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

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

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

No.

SECTION E: PRINCIPLE-WISE PERFORMANCE:

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

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

Yes, largely applies to the Company

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

The Company received three (3) Stakeholders complaints and all have been resolved within the stipulated time.

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

- Please indicate the total number of employees: 1323
- Please indicate the total number of employees hired on temporary/ contractual/casual basis: 1788
- Please indicate the Number of permanent women employees: 247
- Please indicate the Number of permanent employees with disabilities: NIL
- Do you have an employee association that is recognized by management? YES
- What percentage of your permanent employees is members of this recognized employee association? 100%
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

- 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 2021

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

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

Principle 5: Businesses should respect and promote human rights.

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

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

- a. Does the policy related too Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/ Others
Largely covers the company only.
- b. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc.:
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
- 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. Since the Company did not reach the minimum threshold limit as stipulated in Section 135 (1) of the Act, the Company is not liable for CSR expenses for the year.

- 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 either directly through other agencies are 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.

NIL

- 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 31.3.2021, 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 (20.08.2020) 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	8	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	8	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	7	Yes	Nil
Mr. K.Ganesan Independent Director Non-Executive Director DIN: 00102274	8	Yes	Nil
Mr. M.Padmanabhan Independent Director Non-Executive Director DIN:00101997	8	Yes	Quintegra Solutions Ltd (Non-Executive Director)

Name of the Directors & Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM (20.08.2020) Yes/No	Category of Directorship & Name of Listed entities where person is a Director.
Mr. A.Balasubramanian Independent Director Non-Executive Director DIN:00490921	8	Yes	Nelcast Limited (Independent Director)
Mr. G.S.Samuel Independent Director Non-Executive Director DIN:05284689	8	Yes	Swelect Energy Systems Limited (Independent Director)
Mr. T.R.Srinivasan Independent Director Non-Executive Director DIN:00367302	8	Yes	Nil
Mrs. Maheswari Mohan Independent Woman Director Non-Executive Director DIN:07156606	8	Yes	Nelcast Limited (Independent Director)

(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	-	-	1	-
Mr. V.M.Kumaresan	-	-	1	-
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	1	-	-	-

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

During the financial year ended 31st March 2021, the Board met eight times on 13.05.2020, 14.05.2020, 12.06.2020, 05.08.2020, 05.10.2020, 04.11.2020, 03.02.2021, 19.02.2021.

(d) DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

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

(e) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

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

(f) WEB LINK WHERE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS ARE DISCLOSED

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

g) SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS:

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

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 & 6.
Mr. K. Ganesan	- 1, 3, 4, 5 & 6.
Mr. M. Padmanabhan	- 1, 3, 4, 5 & 6.
Mr. A.Balasubramanian	- 1, 3, 4, 5 & 6.
Mr. G.S.Samuel	- 1, 3, 4, 5 & 6.
Mr. T.R. Srinivasan	- 1, 3, 4, 5 & 6.
Mrs. Maheshwari Mohan	- 1, 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 Part-C of Schedule II to the SEBI (LODR) Regulations, 2015, the brief terms of reference to the Audit Committee of the Company, inter-alia 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

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 2021:

During the financial year ended on 31st March 2021, the Audit Committee met ten times on 13.05.2020, 09.06.2020, 12.06.2020, 05.08.2020, 05.10.2020, 04.11.2020, 02.02.2021, 03.02.2021, 19.02.2021, 08.03.2021.

Name of Director	Attendance at Audit Committee Meetings
Total No. of meetings held during the year which were attended by the Members	10
Mr. K.Ganesan	10
Mr. M.Padmanabhan	10
Mr. A.Balasubramanian	10
Mr. V.M.Lakshminarayanan	9

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

(iii) Meetings and Attendance during the Financial Year ended on 31.03.2021:

During the financial year ended on 31st March 2021, the Nomination and Remuneration Committee met once on 13.05.2020.

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

(iv) Performance evaluation criteria for Independent Directors:

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

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the outcome of the evaluation, which reflected the overall engagement of the Board and its Committees with the Company.

Your Company adopted a Policy relating to Selection, remuneration and evaluation of Directors and Senior Management. The said Policy was made available on the website of the Company www.butterflyindia.com.

5. REMUNERATION OF DIRECTORS:

(a) Non-Executive/Independent Directors:

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 ₹ 30,000/- for each Board/ Committee meetings attended by them till 12.06.2020, the sitting fee is reduced to ₹ 25,000/- from 05.08.2020 to 31.03.2021. The sitting fee has been restored to ₹ 30,000/- from 1.4.2021 onwards. Details of such sitting fee paid to them during the financial year ended 31st March 2021 are given below:

Name of the Director	Sitting Fee (₹)
Mr. K.Ganesan	8,10,000
Mr. M.Padmanabhan	8,10,000
Mr. A.Balasubramanian	5,50,000
Mr. G.S.Samuel	2,50,000
Mr. T.R.Srinivasan	2,50,000
Mrs. Maheswari Mohan	2,50,000
TOTAL	29,20,000

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 31.03.2021 are as follows:

(₹ in lakhs)

Name of Director	Salary	Perquisites	Contribution to PF	Total
V.M.Lakshminarayanan	62.28	13.65	8.00	83.93
V.M.Balasubramaniam	61.24	13.43	7.86	82.53
V.M.Seshadri	60.20	13.20	7.73	81.13
V.M.Gangadharam	58.13	12.75	7.46	78.34
V.M.Kumaresan	58.13	12.75	7.46	78.34

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

Stock Option details: Nil

6. SHAREHOLDERS' RELATIONSHIP COMMITTEE:

Composition, Name of the Members and Chairperson:

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

Name of Director	Position	Category
Mr. K.Ganesan	Chairman	Non-Executive Independent 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 2021, the Shareholders' Relationship Committee met two times on 5.8.2020 and 04.11.2020.

Number of Shareholders' complaints received during the financial year:

During the financial year, the Company received 3 shareholders' complaints and there is no pending complaint.

Number not solved to the satisfaction of shareholders – Nil

Number of pending compliances: Nil

7. SHARE TRANSFER COMMITTEE:

The Committee consisted of the following Directors

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

During the financial year ended on 31st March 2021, Share Transfer Committee meetings were held on 15.10.2020, 26.10.2020, 19.2.2021 and 15.03.2021

8. GENERAL BODY MEETINGS:

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
2017-18	31 st AGM	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam-603103, Kancheepuram District	11.09.2018 at 11.00 a.m.	Approval for continuation of Directorship of Mr. K.Ganesan, Non-Executive Independent Director.
2018-19	32 nd AGM	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam-603103, Kancheepuram District	07.08.2019 at 11.00 a.m.	a. Pursuant to the provisions of Section 180(1)(a) for mortgaging and/or charging all or any of the movable and/or immovable properties present and future. b. Pursuant to the provisions of Section 181 contribution to bonafide Charitable and other funds, aggregate of which shall not exceed 5% of its Average Net Profit.
2019-20	33 rd AGM	Video Conferencing/ Other Audio Visual Means.	20.08.2020 at 11.00 a.m.	Approval of Mrs. Maheshwari Mohan (DIN:07156606), Woman Independent Director to hold office for the second term of 5 (five) consecutive years i.e, from 21.08.2020 to 20.08.2025.

Whether any Special Resolution passed last year through postal ballot - details of voting pattern: NO

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

Procedure for Postal Ballot: Not Applicable.

9. MEANS OF COMMUNICATION:

- (i) The quarterly Unaudited Financial Results and the Annual Audited Financial Results of the Company, in the prescribed proforma, are taken on record by the Board and are submitted to the Stock Exchanges.
- (ii) The Unaudited Quarterly financial results are published in Trinity Mirror and Makkal Kural.
- (iii) The Quarterly/Annual Results are also posted on the Company's website: www.butterflyindia.com and also on the website of the BSE Limited and National Stock Exchange of India Limited.
- (iv) All the official news releases are disseminated on the Company's website whenever necessary.
- (v) The 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 website: 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.

10. GENERAL SHAREHOLDER INFORMATION:

(a) Date, time and venue of the Thirty Fourth Annual General Meeting:	
Date	29 th July 2021
Day	Thursday
Time	11.00 a.m.
Venue	Through Video Conferencing
(b) Particulars of Financial Calendar [Tentatively]:	
Financial year	1 st April 2021 to 31 st March 2022
Unaudited First Quarter Results	On or by 15 th August, 2021
Unaudited Second Quarter Results	On or by 15 th November, 2021
Unaudited Third Quarter Results	On or by 15 th February, 2022
Audited Annual Results	On or by 30 th May, 2022
(c) Date of Book Closure	
	23 rd July 2021 to 29 th July 2021 (both days inclusive)
(d) Date of remote e-voting	
	from Sunday, 25 th July 2021 (9.00 a.m.) to Wednesday 28 th July 2021 (5.00 p.m.)
(e) Name and Address of Stock Exchanges where the Company's shares are listed and confirmation of payment of Annual Listing Fees:	
1	BSE Limited (BSE) Phirioze Jeejeebhoy Towers 25 th Floor, Dalal Street, Mumbai – 400 001
2	National Stock Exchange of India Ltd (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051

Annual Listing Fees have been paid for the financial year 2021-2022.

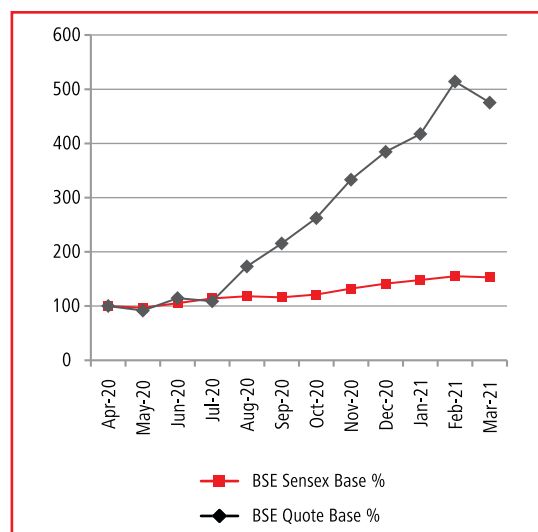
(f) Stock Code:

BSE	517421
NSE	BUTTERFLY
ISIN	INE295F01017

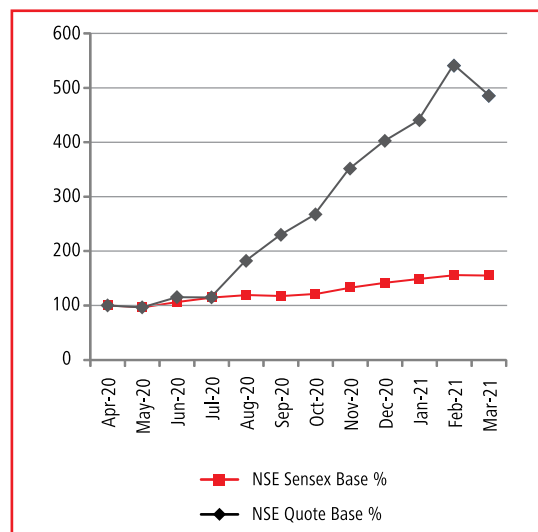
(g) Market Price Data (High/Low) during financial year 2020-2021

STOCK PERFORMANCE VS BSE SENSEX

Month	BSE Quote		BSE Sensex	
	High (₹)	Base %	High	Base %
Apr-20	130.00	100	33887.25	100
May-20	119.10	92	32845.48	97
Jun-20	148.90	115	35706.55	105
Jul-20	141.45	109	38617.03	114
Aug-20	225.00	173	40010.17	118
Sep-20	280.00	215	39359.51	116
Oct-20	341.00	262	41048.05	121
Nov-20	433.10	333	44825.37	132
Dec-20	500.00	385	47896.97	141
Jan-21	542.50	417	50184.01	148
Feb-21	668.40	514	52516.76	155
Mar-21	618.00	475	51821.84	153



Month	NSE Quote		NSE Sensex	
	High (₹)	Base %	High	Base %
Apr-20	123.70	100	9889.05	100
May-20	119.00	96	9598.85	97
Jun-20	142.50	115	10553.15	107
Jul-20	141.75	115	11341.40	115
Aug-20	225.00	182	11794.25	119
Sep-20	284.00	230	11618.10	117
Oct-20	330.80	267	12025.45	122
Nov-20	434.55	351	13145.85	133
Dec-20	497.70	402	14024.85	142
Jan-21	544.80	440	14753.55	149
Feb-21	668.85	541	15431.75	156
Mar-21	600.00	485	15336.30	155



(h) The Company's equity shares were not suspended from trading during the financial year 2020-2021.

(i) Registrars and Share Transfer Agents:

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

(j) Share Transfer System:

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

(k) Shareholding Pattern as at 31.3.2021

Category	No. of Shares Held	Percentage of Shareholding
A Promoter's holding Promoters & their relatives	11582272	64.78
B Non-Promoters Holding	--	--
1 INSTITUTIONAL INVESTORS		
Foreign Portfolio Investor	5000	0.03
Alternative Investment Fund	88021	0.49
Mutual Funds/UTI	1276230	7.14
Financial Institutions/Banks	2011	0.01
Others		
2 CENTRAL/STATE GOVERNMENTS	0	0
3 NON-INSTITUTIONAL INVESTORS		
a. Bodies Corporate	365304	2.04
b. Indian Public	4373818	24.46
c. NRIs	160792	0.90
d. Clearing Members	25752	0.14
e. Clearing House	351	0
GRAND TOTAL	17879551	100.00

(l) Distribution of shareholding as on 31.03.2021:

No. of Equity Shares Held	No. of Share holders	%	No. of Shares held	%
1 – 500	20397	95.72	1496110	8.37
501 – 1000	430	2.02	337970	1.89
1001 – 2000	214	1.00	319233	1.79
2001 – 3000	70	0.33	182752	1.02
3001 – 4000	26	0.12	90383	0.51
4001 – 5000	29	0.14	136962	0.77
5001 – 10000	59	0.28	428465	2.40
Above 10000	83	0.39	14887676	83.27
Total	21308	100.00	17879551	100.00
No. of shares held in physical form	7579	35.57	664468	3.72
No. of Shares held in electronic mode	13729	64.43	17215083	96.28
Total	21308	100.00	17879551	100.00

- (m) Dematerialization of shares and liquidity: As on 31.03.2021, 96.28% 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, Chengalpet District – 603 103, Tamil Nadu
	(iii) No.7, Karanai-Puducherry Village, Kattur - 603 202, Chengalpattu Taluk, Chengalpet District, Tamil Nadu
	(iv) 26, Vandalur-Kelambakkam Road, Mambakkam, Chennai - 600048

- (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

11. 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 2020-2021, no transaction of materially 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 were no non-compliance by the Company, penalties or strictures imposed on the Company by Stock Exchange(s), SEBI, or any other Statutory Authority or any matters relating to capital market during the last three years, apart from a meagre amount of ₹ 9,440/- which was levied by the Stock Exchanges due to delay in filing of Annual Report 2020. This delay was caused due to Covid related lock-down. The Company sought waiver of the same.

(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:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, Promoters and designated employees of the Company. The Code required pre-clearance for dealing in the Company's shares for all transactions by Directors, Promoters and designated employees (together called Designated Persons) and prohibits the purchase or sale of Company's securities by Designated Persons while in possession of Unpublished Price Sensitive Information in relation to the Company. Further, trading in securities is also prohibited for Designated Persons during the period when the Trading Window is closed. The Board of Directors also reviewed the Code

in line with the amendments made to the SEBI (Prohibition of Insider Trading) Regulations 2015 in April 2019 along with policy containing procedures for conduct of inquiry in case of leakage of UPSI or suspected leakage of UPSI as part of the Code and Company's code for practices and procedures for fair disclosure of Unpublished Price Sensitive Information which includes a policy for determination of legitimate purposes for sharing information under the Code. The Codes/policies are posted on the Company's website: www.butterflyindia.com". These code of conduct of the Company are administered by the Compliance Officer.

(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 2021.

(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 05.05.2021 received from M/s. A.K.Jain & Associates practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority (**Annexure A**).

(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 2020-2021:

Particulars	(₹in lakhs)	
	Amount (2020-2021)	Amount (2019-2020)
Statutory Audit Fee	18.00	15.00
Other Services	0.25	0.25
Out of Pocket Expenses	0.16	0.31
Total	18.41	15.56

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

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

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

(xii) Disclosure Relating to Adoption of Discretionary Requirements

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

(xiii) Disclosure on Compliance with Corporate Governance Requirements.

The Company has complied with all the requirements of Corporate Governance specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable.

(xiv) Declaration on Code of Conduct

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

For and on behalf of the Board of Directors

Place: Chennai
Date: 17.5.2021

V.M.LAKSHMINARAYANAN
Chairman and Managing Director

Certificate

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

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

On the basis of the written representation/declaration received from the Directors and taken on record by the Board of Directors, as on March 31, 2021, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies, by Securities Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authorities.

Place : Chennai
Date : 05.05.2021

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

BALU SRIDHAR
Partner

FCS No. 5869
C. P. No. 3550

UDIN: F005869C000246043

**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF PART B OF SCHEDULE – II
OF SEBI (LODR) REGULATION 2015**

To
The Board of Directors
Butterfly Gandhimathi Appliances Limited

- A. We have reviewed financial statements for the year ended on 31.3.2021 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
Date : 17.5.2021

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 2021, 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, 2021.

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, 2021.

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

Restriction of Use

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

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

G N Ramaswami
Partner

Place: Chennai
Date: May 17, 2021

Membership No: 202363
UDIN: 21202363AAAAABY1176

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, 2021, 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, 2021 and its profit including other comprehensive income, 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 as the key audit matter to be communicated in our audit report.

Sl.No	Key Audit Matter	Auditor's Response
1	Deferred Tax Assets – Recoverability of MAT Credit: Deferred Tax Asset on MAT credit recognised as at March 31, 2021 amounts to ₹ 1,354.67 lakhs. Significant judgement is required in assessing the recoverability of DTA on MAT credit. Recoverability of DTA on MAT credit is sensitive to the assumptions used by management in projecting the future business plan and tax plan and restriction on utilization of MAT credit after the period specified in the Income-tax Act.	Audit Procedures: We evaluated the design and tested the effectiveness of internal controls related to the assessment of recoverability of DTA on MAT credit. We reviewed the key business assumptions like revenue growth rates, amount of future capital expenditure and EBITDA margins against historical data and trends and with market data and external sources, where available, to assess their reasonableness. We verified the tax computation for the forecast period and considered whether the MAT credit would expire in accordance with the provisions of Income tax Act, 1961. We verified that recognition of DTA is consistent with company's accounting policy for recognition of deferred tax on MAT credit. We verified the appropriateness of accounting policies, critical accounting estimates and assumptions and disclosures related to Income tax in the financial statements.

Independent Auditor's Report

Sl.No	Key Audit Matter	Auditor's Response
2	<p>Provision towards warranty obligation:</p> <p>Company provides for the warranty expenses based on the certain estimation which involves significant judgment.</p>	<p>Audit Procedures:</p> <p>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 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 Ind AS 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 Ind AS financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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.

The 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

Independent Auditor's Report

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 Ind AS 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 Ind AS financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

7.1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

Independent Auditor's Report

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 5.1.1 to the Ind AS 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

G N Ramaswami
Partner

Place: Chennai
Date: May 17, 2021

Membership No: 202363
UDIN: 21202363AAAABW6613

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 banks and the Company, the tile deeds are in the name of the Company except a portion of Freehold land situated at Pudupakkam, Kanchipuram District, in respect of which the transfer of title deeds in the name of the Company is pending.
- ii. The management has conducted the physical verification of inventory during the year and according to the information and explanation given to us no material discrepancies were noticed on such physical verification;
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. 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, 2021 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:

Sl. No	Name of the Statute	Nature of the dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty	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 2012-13	Customs, Excise, Service Tax Appellate Tribunal (CESTAT)

Independent Auditor's Report

Sl. No	Name of the Statute	Nature of the dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where the dispute is pending
4	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)	33.78	FY 2009-10 to 2012-13	Sales Tax Appellate Tribunal, Tamil Nadu
7	Kerala Value Added Tax	Kerala Value Added Tax	63.77	FY 2011-12, 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 and hence reporting under clause 3 (xii) of the Order is not applicable to the 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 hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.;
- 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

G N Ramaswami
Partner
Membership No: 202363
UDIN: 21202363AAAAABW6613

Place: Chennai
Date: May 17, 2021

Independent Auditor's Report

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, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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

Independent Auditor's Report

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Place: Chennai
Date: May 17, 2021

G N Ramaswami
Partner
Membership No: 202363
UDIN: 21202363AAAABW6613

BALANCE SHEET AS AT MARCH 31, 2021

₹ in Lakhs

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	13,068.89	13,330.16
(b) Capital Work-in-Progress	3.1.4	206.16	231.35
(c) Other Intangible Assets	3.2	3,273.13	3,564.21
(d) Intangible Assets Under Development	3.2.1	70.10	65.85
Financial Assets			
(i) Investments	3.3	28.41	18.40
(ii) Other Financial Assets	3.4	708.14	349.22
(f) Deferred Tax Assets (Net)	3.5.1	-	224.64
(g) Non Current Tax Asset (Net)	3.6	-	212.96
(h) Other Non- Current Assets	3.7	345.88	133.83
Current Assets			
(a) Inventories	3.8	17,788.11	17,011.86
Financial Assets			
(i) Trade Receivables	3.9	7,436.05	11,668.94
(ii) Cash and Cash Equivalents	3.10	3,299.82	80.24
(iii) Bank Balances other than (ii) above	3.11	436.42	381.09
(iv) Other Financial Assets	3.12	505.01	390.18
(c) Current Tax Assets (Net)	3.13	1.07	44.46
(d) Other Current Assets	3.14	1,715.53	1,502.82
Total Assets		48,882.72	49,210.21
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	3.15	1,787.96	1,787.96
(b) Other Equity	3.16	20,611.52	17,480.12
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Long Term Borrowings	3.17	1,155.41	3,230.44
(ii) Other Financial Liabilities	3.18	105.48	62.59
(b) Deferred Tax Liabilities (Net)	3.5.1	125.71	-
Current Liabilities			
Financial Liabilities			
(i) Short Term Borrowings	3.19	-	12,686.81
Trade Payables			
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises; and	3.20	1,167.35	531.90
b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	3.20	15,194.31	8,154.39
(iii) Other Financial Liabilities	3.21	7,020.85	3,767.85
(b) Other Current Liabilities	3.22	690.54	558.76
(c) Short Term Provisions	3.23	863.98	856.01
(d) Current Tax Liabilities (Net)	3.24	159.61	93.38
Total Equity and Liabilities		48,882.72	49,210.21

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

G.N.RAMASWAMI

Partner

Membership No. 202363

V.M.LAKSHMINARAYANAN

Chairman & Managing Director

DIN: 00106346

V.M.SESHADRI

Managing Director

DIN:00106506

A.BALASUBRAMANIAN

Independent Director

DIN:00490921

Place: Chennai

Date: 17.05.2021

R.NAGARAJAN
Chief Financial Officer

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

Particulars	Note No	Year Ended March 31, 2021	Year Ended March 31, 2020
I Revenue from Operations	4.1	86,963.81	67,869.50
II Other Income	4.2	158.05	145.68
III Total Income (I+II)		87,121.86	68,015.18
IV Expenses			
Cost of Materials Consumed	4.3	35,481.92	31,053.58
Purchase of Stock in Trade		13,978.11	10,492.86
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	4.4	1,154.26	(2,527.98)
Employee Benefits Expense	4.5	7,701.30	7,885.46
Finance Costs	4.6	1,737.30	2,413.41
Depreciation and Amortisation	4.7	1,555.17	1,393.74
Other Expenses	4.8	20,678.94	16,891.31
Total Expenses (IV)		82,287.00	67,602.38
V Profit Before Exceptional Items and Tax (III- IV)		4,834.86	412.80
VI Exceptional Items		-	-
VII Profit Before Tax (V- VI)		4,834.86	412.80
VIII Tax Expense			
- Current Tax		896.63	64.92
- Deferred Tax		322.42	(50.02)
Total Tax Expense		1,219.05	14.90
IX Profit for the Year (VII- VIII)		3,615.81	397.90
X Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plan Actuarial Gains / (Losses)		79.91	(109.69)
Income Tax expense on above	3.5.2	(27.93)	38.33
		51.98	(71.36)
XI Total Comprehensive Income for the Year (Comprising Profit and other comprehensive Income for the Year) (IX+ X)		3,667.79	326.54
XII Earnings Per Equity Share (Face Value of ₹ 10 each)			
(1) Basic in ₹		20.22	2.23
(2) Diluted in ₹		20.22	2.23

The accompanying notes form an integral part of these Financial Statements

As per our report of even date attached
For ASA & Associates LLP
Chartered Accountants
Firm Regn No. 009571N/N500006

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

G.N.RAMASWAMI
Partner
Membership No. 202363

V.M.LAKSHMINARAYANAN
Chairman & Managing Director
DIN: 00106346

V.M.SESHADRI
Managing Director
DIN:00106506

A.BALASUBRAMANIAN
Independent Director
DIN:00490921

Place: Chennai
Date: 17.05.2021

R.NAGARAJAN
Chief Financial Officer

Statement of Changes in Equity for the year ended March 31, 2021

A. Equity Share Capital	
As at April 01, 2019	1,787.96
Changes in Equity Share Capital during the year	-
As at March 31, 2020	1,787.96
Changes in Equity Share Capital during the year	-
As at March 31, 2021	1,787.96

B. Other Equity

Particulars	Reserves and Surplus					Revaluation Surplus	Other Comprehensive Income (OCI)	Total
	General Reserve	Security Premium	Capital Profit		Retained Earnings			
			Capital Reserve *	Capital Redemption Reserve **				
Balance as at April 01, 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
Total Comprehensive Income for the Year	-	-	-	-	3,615.81	-	-	3,615.81
Other Comprehensive Income for the Year	-	-	-	-	-	-	51.98	51.98
Dividends Paid	-	-	-	-	(536.39)	-	-	(536.39)
Balance as at March 31, 2021	538.56	9,701.53	1.73	142.10	10,152.09	80.08	(4.57)	20,611.52

* 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

G.N.RAMASWAMI

Partner

Membership No. 202363

Place: Chennai

Date: 17.05.2021

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

A.BALASUBRAMANIAN
Independent Director
DIN:00490921

V.M.SESHADRI
Managing Director
DIN:00106506

V.M.LAKSHMINARAYANAN
Chairman & Managing Director
DIN: 00106346

R. NAGARAJAN
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash Flows from Operating Activities		
Profit Before Tax	4,834.86	412.80
Adjustments:		
Interest Income	(57.44)	(32.89)
Loss on Sale of Fixed Assets (Net)	1.13	6.98
Adjustment for Other Comprehensive Income (OCI)	79.91	(109.69)
Interest Expense	1,737.30	2,413.41
Provision for Bad & Doubtful Debts	188.00	106.50
Provision for Warranty	129.93	84.75
Provision for Employee Benefits	42.45	123.03
Depreciation and Amortization	1,555.17	1,393.74
Other Non Cash Items	329.20	(10.01)
Operating Cash Flow before Working Capital Changes	8,840.51	4,388.62
Changes in		
(Increase)/Decrease In Trade Receivables	4,051.38	(104.65)
(Increase)/Decrease In Inventory	(1,075.60)	(2,801.57)
(Increase)/Decrease In Other Current Financial Asset(s)	(181.55)	193.78
(Increase)/Decrease In Other Current Asset(s)	(212.81)	(171.93)
(Increase)/Decrease In Other Non-Current Financial Assets	(367.32)	(96.89)
(Increase)/Decrease In Other Non-Current Asset	6.36	38.39
Increase/(Decrease) In Trade Payables Current	7,776.68	253.71
Increase/(Decrease) In Other Current Liabilities	131.94	(22.50)
Increase/(Decrease) In Other Current Financial Liabilities	2,757.55	259.15
Increase/(Decrease) In Short Term Provisions Current	(164.41)	-
Increase/(Decrease) In Other Non-Current Financial Liabilities	70.94	74.30
Income Taxes paid (net)	(574.05)	(276.82)
Cash Generated from Operations	21,059.62	1,733.59
Cash Flows from Investing Activities		
Purchase of Fixed Assets / Capital Work-in-progress including Capital advances	(1,276.40)	(1,320.27)
Proceeds from Sale of Fixed Assets	4.73	11.67
Interest Received	26.39	24.12
Net Cash used in Investing Activities	(1,245.28)	(1,284.48)
Cash Flows from Financing Activities		
Dividend Paid	(519.68)	-
Proceeds from Long Term Borrowings	1,122.07	413.46
Repayment of Long Term Borrowings	(2,726.81)	(1,027.06)
Net Increase / (Decrease) in Short Term Borrowings	(12,686.81)	2,253.13
Interest Paid	(1,783.66)	(2,335.38)
Net Cash used in Financing Activities	(16,594.89)	(695.85)
Effect of Exchange Rate on Translation of Foreign Currency Cash and Cash Equivalents (Loss) / Gain	0.13	(0.70)
Increase / (Decrease) in Cash and Cash Equivalents	3,219.45	(246.74)
Cash and Cash Equivalents at the Beginning of the Year	80.24	327.68
Cash and Cash Equivalents at the End of the Year	3,299.82	80.24
Components of Cash and Cash Equivalents (Refer Note 3.10)		
Cash on Hand	47.87	32.69
Balances with Banks	3,251.95	47.55
Total Cash and Cash Equivalents	3,299.82	80.24

As per our report of even date attached
For ASA & Associates LLP
Chartered Accountants
Firm Regn No. 009571N/N500006

G.N.RAMASWAMI
Partner
Membership No. 202363

V.M.LAKSHMINARAYANAN
Chairman & Managing Director
DIN: 00106346

V.M.SESHADRI
Managing Director
DIN:00106506

A.BALASUBRAMANIAN
Independent Director
DIN:00490921

Place: Chennai
Date: 17.05.2021

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, 2021

1. Corporate Information:

'Gandhimathi Appliances Limited', was originally incorporated as Private Limited Company on 24th February 1986 and was converted into a Public Limited Company on 25th April 1990. The name of the Company was changed to 'Butterfly Gandhimathi Appliances Limited' (BGMAL), with effect from 25th October 2011. BGMAL is listed with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). BGMAL is involved in manufacturing and Trading of a wide range of domestic kitchen and electrical appliances under the brand 'BUTTERFLY'

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

2.1.1 Statement of Compliance

The financial statements comprising Balance Sheet, Statement of Profit and Loss, Cash flow Statement and Statement of changes in Equity, together with notes as at and for the year ended March 31, 2021 have been prepared in accordance with Ind AS's notified under Section 133 of the Companies Act, 2013 ('the Act'), Companies (Indian Accounting Standards) Rules, 2015, other relevant provision of the Act and amendments there to.

2.1.2 Historical Cost Convention

The Financial Statements have been prepared under historical cost convention on accrual basis except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

2.1.3 Current / Non-Current Classification

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.1.4 Functional and Presentation Currency

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

2.2 Revenue Recognition

2.2.1 Revenue from Sale of Goods / Services

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

2.2.2 Interest Income

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

2.3 Property Plant and Equipment

2.3.1 Tangible Assets

All property plant and equipment are stated at historical cost of acquisition less accumulated depreciation and impairment, if any. Historical cost includes purchase price, taxes and duties (net of tax credits), labour cost and directly attributable overhead expenditure incurred upto the date the asset is ready for its intended use.

The Cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working conditions for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

2.3.2 Intangible Assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses, if any.

Identifiable intangible assets are recognized when the Company controls the asset; it is probable that future economic benefits expected with the respective assets

Notes forming part of Financial statements as at and for the year ended March 31, 2021

will flow to the Company for more than one economic period; and the cost of the asset can be measured reliably. Amortisation is provided on Straight Line Method (SLM), which reflect the management's estimate of the useful life of the intangible assets.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets. Based on such review, the useful life may change. The impact of such changes, if any, is accounted for as a change in accounting estimate.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset

Intangible Asset	Useful Life
Software	6-10 years
Usage Right of Trade Mark/Trade Mark and Licence	20-25 years

2.3.3 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.4 Depreciation

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

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

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

Depreciation is charged on pro-rata basis from the date of addition (i.e., when the assets are ready for their intended use) / till the date of disposal. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on such disposal of assets are recognised in statement of profit and loss.

Where the residual values are not more than 5% of original cost of the asset no depreciation is provided.

2.5 Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

To the extent the Company borrows generally and uses them for the purpose of obtaining a qualifying asset, amount of borrowing cost eligible for capitalization is computed by applying a capitalization rate to the expenditure incurred. The capitalization rate is determined based on the weighted average of borrowing costs, other than borrowings made specifically towards purchase of a qualifying asset.

2.6 Foreign Currency Translation

2.6.1 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e. in Indian Rupee (INR - ₹)

Notes forming part of Financial statements as at and for the year ended March 31, 2021

2.6.2 Transaction and Balances

Foreign currency transactions are recorded in functional currency using the exchange rates prevailing on the date of transaction. As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing at the date of the transaction. All monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of foreign currency transactions are recognised in the Statement of Profit and Loss.

2.7 Inventories

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

2.7.2 Cost includes the cost of purchase including duties and taxes (net of tax credit), freight inward and other expenditure directly attributable to purchase.

Cost of work in progress and finished goods comprises of all direct costs and applicable manufacturing overheads incurred to bringing the inventories to the present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Employee Benefits

2.8.1 Defined Benefit Plan:

Provision for gratuity, is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets excluding interest (if applicable), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

Past service cost is recognized in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

The Company presents the first two components of defined benefit costs in statement profit and loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs. The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

2.8.2 Defined Contribution Plan:

Company's contributions during the year towards provident fund, pension scheme and employees' state insurance ('ESI') scheme are recognised in the statement of profit and loss.

2.8.3 Short term employee benefits obligations are measured on an undiscounted basis and are expensed as the related services provided. A liability is recognized for the amount expected to be paid under short-term employee benefits if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.9 Taxes on Income

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

2.9.1 Current Tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to settle the liability on a net basis or simultaneously.

2.9.2 Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Notes forming part of Financial statements as at and for the year ended March 31, 2021

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

2.9.3 Current and Deferred Tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Indian Income Tax Act, 1961. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on its recoverability in the future. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.10 Provisions and Contingent Liabilities

2.10.1 Provisions

A provision is recorded when the Company has a present or constructive obligation as a result of past events, it is

probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

2.10.2 Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

2.11 Leases

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

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

Right-of-use assets, for which the entity is reasonably certain to exercise the right to purchase are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

Notes forming part of Financial statements as at and for the year ended March 31, 2021

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

2.12 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Financial Assets

2.13.1 Classification

The Company classifies its financial assets in the following measurement categories:

- (i) Those measured subsequently at fair value through profit or loss (in case of investments in mutual funds)
- (ii) Those measured at amortised cost

2.13.2 Measurement

Initial Recognition Measurement

Financial assets are recognised when the company becomes party to the contract. The Company measures a financial asset at its fair value plus cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised in the Statement of Profit and Loss.

2.13.3 Subsequent Measurement

2.13.3.1 Investments

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

2.13.3.2 Other Financial Assets

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

2.13.4 Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried

at amortised cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. **Note 7.2** details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires Expected Credit Losses (ECL) to be recognised from initial recognition of the receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition

2.13.5 De-recognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired.

2.14 Financial Liabilities

2.14.1 Classification

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

2.14.2 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.14.3 Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest-bearing loans and borrowings.

Notes forming part of Financial statements as at and for the year ended March 31, 2021

2.14.4 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.14.5 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.15 Derivative Financial Instruments

The Company enters into forward contract to manage its exposure to foreign currency exchange risks. These derivative contracts that do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured through at profit or loss. Gains or loss arising from changes in the fair value of the derivative contracts are recognized in statement of profit and loss.

2.16 Dividend to Shareholders

Final dividend proposed and distributed to equity shareholders is recognized only in the financial year in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognized when approved by the Board of Directors at the Board Meeting. Dividend distributed is recognized in the Statement of Changes in Equity.

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity

shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Segment Information

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

2.19 Prior Period

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However where retrospective restatement is not practicable for a particular period then the circumstances that led to the existence of that condition and the description of how and from where the error is corrected are disclosed in notes forming part of Financial statements.

2.20 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified as operating, investing and financing activities.

2.21 Critical Estimates & Judgements

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

Notes forming part of Financial statements as at and for the year ended March 31, 2021

3.1 - Property Plant and Equipment

₹ in Lakhs

Description	Land - Free Hold	Buildings	Plant and Equipment	Tools and Dies	Electrical Installations and Equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures	Total
As at April 01, 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
Additions during the year	-	15.46	695.27	130.61	29.88	25.81	24.28	76.15	6.69	1,004.16
Deletions during the year	-	-	-	(433.00)	(31.74)	(99.05)	(13.05)	(126.18)	(6.11)	(709.14)
As at March 31, 2021	4,020.02	3,251.02	4,640.94	2,895.86	511.48	177.71	183.65	719.03	863.88	17,263.59
Depreciation										
As at April 01, 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
Charge for the year	-	131.65	407.35	399.43	58.83	54.07	23.51	90.35	94.37	1,259.56
Deletions during the year	-	-	-	(433.00)	(31.73)	(98.68)	(13.06)	(120.70)	(6.10)	(703.28)
As at March 31, 2021	-	610.71	1,392.73	1,050.49	225.52	95.61	111.27	216.40	491.97	4,194.70
Net Book Value										
As at March 31, 2021	4,020.02	2,640.31	3,248.21	1,845.37	285.96	82.10	72.38	502.63	371.91	13,068.89
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

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

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

3.1.3. Following are the changes in the carrying value of ROU for the year ended March 31, 2021:

Plant and Equipment

Description	FY 2020-21	FY 2019-20
As at 1st April	87.51	-
Add: Additions during the year	108.37	89.00
Less: Capitalized during the year	7.80	1.49
As at 31st March	188.08	87.51

3.1.4 - Capital Work-in- Progress

Description	FY 2020-21	FY 2019-20
As at 1st April	231.35	652.76
Add: Additions during the year	142.36	210.63
Less: Capitalized during the year	167.55	632.04
As at 31st March	206.16	231.35

Notes forming part of Financial statements as at and for the year ended March 31, 2021

3.2 - Other Intangible Assets

₹ in Lakhs

Description	Usage Right of Trade Mark	Trade Mark and License	Computer Software	Total
As at April 01, 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
Additions during the year	-	-	4.53	4.53
As at March 31, 2021	176.00	4,297.50	423.25	4,896.75
Amortization				
As at April 01, 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
Amortization for the year	16.00	238.75	40.86	295.61
As at March 31, 2021	80.00	1,193.75	349.87	1,623.62
Net Book Value				
As at March 31, 2021	96.00	3,103.75	73.38	3,273.13
As at March 31, 2020	112.00	3,342.50	109.71	3,564.21

3.2.1 - Intangible Assets under development

₹ in Lakhs

Description	FY 2020-21	FY 2019-20
As at 1st April	65.85	-
Add: Additions during the year	4.25	65.85
Less: Depreciation for the year	-	-
As at 31st March	70.10	65.85

3.3 - Investments - Non Current

₹ in Lakhs

Description	As at March 31, 2021	As at March 31, 2020
Investments in Mutual Funds (Quoted)		
Reliance - Nippon India large cap fund - Growth plan growth option 30,777.754 units (PY 30,777.754 units)	12.47	7.44
SBI - Equity hybrid fund regular growth 172.648 units (PY 172.648 units).	15.94	10.96
Total	28.41	18.40

3.3.1 Aggregate Amount of Quoted Investments

- Cost	20.00	20.00
- Market Value	28.41	18.40

Notes forming part of Financial statements as at and for the year ended March 31, 2021

3.4 - Other Financial Assets - Non Current

₹ in Lakhs

Description	As at March 31, 2021	As at March 31, 2020
Long Term Security Deposit	150.98	126.12
Deposits with Authorities	107.43	164.91
Bank Balances held as Margin Money	449.73	58.19
Total	708.14	349.22

3.5 - Deferred Tax Assets / (Liabilities)

3.5.1 Recognised Deferred Tax Assets and Liabilities

Deferred Tax Assets and Liabilities are attributable to the following:

₹ in Lakhs

Description	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liability		
Property, Plant and Equipment	1,810.72	1,909.96
Others	-	0.78
Right of Use Assets	65.72	30.58
Sub Total	1,876.44	1,941.32
Deferred Tax Assets		
Brought forward Business Losses	-	1,521.55
Provision for Bad and Doubtful Debts	214.84	149.12
Provision for Advances	17.46	-
MAT Credit Entitlement	1,354.67	337.28
Remeasurements of defined benefit plan actuarial gains/ (losses) - OCI	3.57	31.50
Employee Benefits	109.44	100.55
Lease Liability (ROU Assets)	50.75	25.96
Sub Total	1,750.73	2,165.96
Net Deferred Tax Assets / (Liabilities)	(125.71)	224.64

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

₹ in Lakhs

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

* Inclusive of earlier years Rs. 438.59 lakhs

Notes forming part of Financial statements as at and for the year ended March 31, 2021

Unrecognised Deferred Tax Assets

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

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unutilised tax credit	-	438.59
Total	-	438.59

3.5.2 Tax Recognised in Other Comprehensive Income

in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit plan Actuarial Gains (Losses)	(27.93)	38.33
Total	(27.93)	38.33

3.5.3 Reconciliation of Effective Tax Rates

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Profit Before Tax	4,834.86	412.80
Enacted tax Rate (under Normal Provisions)	34.94%	33.38%
Enacted tax Rate (under MAT)	17.47%	16.69%
Computed Expected Tax Expenses - Normal Provision*	1,689.49	137.81
Computed Expected Tax Expenses - MAT**	844.75	68.90
Non-deductible expenses	41.53	17.78
Ind AS Transition Adjustment	(3.61)	(3.45)
OCI Income / (Expenses)	13.96	(18.31)
Current Tax	896.63	64.92
Deferred Tax	350.35	(88.35)
Tax Expenses for the year	1,246.98	(23.43)

* Tax payable under the normal provisions is ₹ 300.05 Lakhs (PY ₹ 9.87 Lakhs) for the year ended 31.03.2021 after setting of the unabsorbed accumulated losses to the extent ₹ 4,445.12 Lakhs allowed u/s 72 of Income Tax Act, 1961 balance unabsorbed loss carried forward ₹ NIL. 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.

3.6 - Non Current Tax Asset (Net)

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Tax payments pending adjustment (net of provisions)	-	212.96
Total	-	212.96

Notes forming part of Financial statements as at and for the year ended March 31, 2021

3.7 - Other Non Current Assets

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	327.46	109.05
Other Receivables	18.42	24.78
Total	345.88	133.83

3.8 - Inventories

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials and Components (Refer 3.8.1 below)	6,488.45	4,616.06
Work in Progress	1,627.05	1,245.11
Finished Goods	5,923.67	7,042.71
Traded Goods (Refer 3.8.2 below)	3,472.43	3,889.59
Consumables	264.76	210.77
Stores	11.75	7.62
Total	17,788.11	17,011.86
3.8.1 Includes Goods in Transit	-	79.40
3.8.2 Includes Goods in Transit	-	70.38

Write-downs of inventories to net realisable value amounted to ₹.25.84 lakhs (P.Y ₹.3.35 lakhs) was recognized as an expense during the year

3.9 - Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
Considered Good - Secured	21.48	192.84
Considered Good - Unsecured	7,479.54	11,105.91
Have Significant increase in Credit Risk	96.80	91.27
Credit impaired	257.64	325.07
Retention Money Receivable - Unsecured Considered Good	195.40	380.66
Less:		
Impairment for Trade Receivable under expected credit loss model	614.81	426.81
Total	7,436.05	11,668.94

3.10 - Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
i) Balances with Banks	3,251.95	47.55
ii) Cash on Hand (Refer Note 3.10.1 below)	47.87	32.69
Total	3,299.82	80.24
3.10.1 Includes INR equivalent of Foreign Currency	3.94	3.12

Notes forming part of Financial statements as at and for the year ended March 31, 2021

3.11 - Bank Balances other than in 3.10 (i) above

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Bank Balances held as Margin Money	413.65	363.87
Unpaid Dividend account	22.77	17.22
Total	436.42	381.09

3.12 - Other Current Financial Assets

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
- Loans and Advances	505.01	390.18
Total	505.01	390.18

3.13 - Current Tax Asset (Net)

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Refund Receivable	1.07	44.46
Total	1.07	44.46

3.14 - Other Current Assets

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Considered Good		
Balance with Government Authorities	1,097.38	569.16
Prepaid Expenses	231.30	134.36
Advances to Suppliers	365.07	777.42
Others	21.78	21.88
Total	1,715.53	1,502.82

3.15 - Equity Share Capital

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
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

Notes forming part of Financial statements as at and for the year ended March 31, 2021

3.15.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning of the year	17,879,551	1,787.96	17,879,551	1,787.96
(+) Issued during the year	-	-	-	-
(-) Redeemed during the year	-	-	-	-
Outstanding at the end of the year	17,879,551	1,787.96	17,879,551	1,787.96

3.15.2 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.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently.

3.15.3 There are no bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	9.78	5.47%	12.52	7.00%
Mr.V.M.Lakshminarayanan	6.99	3.91%	10.01	5.60%
Total	82.31	46.04%	88.07	49.26%

Notes forming part of Financial statements as at and for the year ended March 31, 2021

3.16 Other Equity

For the year ended March 31, 2021

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

For the year ended March 31, 2020

Particulars	Reserves and Surplus					Revaluation Surplus	Other Comprehensive Income (OCI)		Total
	General Reserve	Security Premium	Capital Profit		Retained Earnings		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	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 Gangadharan Appliances Limited to The Industrial Finance Corporation of India (IFCI)

Notes forming part of Financial statements as at and for the year ended March 31, 2021

3.17 - Long Term - Borrowings

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Term Loan		
(i) Secured		
- Banks	1,718.12	1,542.03
- Others	1,075.17	1,402.47
(ii) Unsecured		
- Other than Banks	-	1,402.00
Less: Current Maturities of Long term Debts	1,637.88	1,116.06
Total	1,155.41	3,230.44

I Terms of Payment:

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

II Security Provided:

a. Term Loans from Banks are Secured by

- First charge by way of hypothecation of specific Plant and Machinery and Other Fixed Assets/Vehicles acquired out of loans and Equitable Mortgage of certain Land and Building of the Company at Pudupakkam.
- Personal Guarantee of the Promoter Directors.

b. Other Term Loans:

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

3.18 - Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Lease Liability	145.24	74.30
Less: Current Maturities of Lease Liability	39.76	11.71
Total	105.48	62.59

3.19 - Short Term Borrowings

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Demand Loans from Banks (Refer note 3.19.1 below)	-	12,686.81
Total	-	12,686.81

3.19.1 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, other than the Fixed Assets mentioned in the note no. 3.17 above, 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, 2021

3.20 - Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
- Dues to Micro and Small Enterprises	1,167.35	531.90
- Others	15,194.31	8,154.39
Total	16,361.66	8,686.29

3.20.1 Details as required under MSME Act, 2006 - refer note 9

3.20.2 Details with respect to Related Parties details are disclosed in note 17

3.21 - Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Debt	1,637.88	1,116.06
Current Maturities of Lease Liability	39.76	11.71
Creditors for Capital Goods and Services	62.95	117.37
Unclaimed Dividends	22.77	17.22
Payable to Employees	575.17	282.75
Security Deposits from Customers	263.76	276.66
Provision for Expenses	4,418.56	1,946.08
Total	7,020.85	3,767.85

3.22 - Other Current Liabilities

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Liabilities	244.32	136.23
Advance from Customers	409.81	385.96
Others	36.41	36.57
Total	690.54	558.76

3.23 - Short Term Provision

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	131.97	253.93
Provision for Warranty	732.01	602.08
Total	863.98	856.01

3.24 - Current Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax	1,023.37	93.38
Less: Advance Tax and Tax Deducted at Source	863.76	-
Total	159.61	93.38

Notes forming part of Financial statements as at and for the year ended March 31, 2021

4.1 - Revenue From Operations

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of Products	86,553.16	67,428.04
Scrap Sales	410.65	441.46
Total	86,963.81	67,869.50

4.2 - Other Income

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Change in fair value of Financial Assets	10.01	-
Interest income from Financial Assets measured at Amortised cost	57.44	32.89
Exchange Fluctuation (Net)	37.90	27.26
Other Non-Operating Income	52.70	85.53
Total	158.05	145.68

4.3 - Cost of Materials Consumed

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening Stock		
Raw Materials and Components	4,826.83	4,549.41
Add: Cost of		
Raw Materials and Components	35,722.23	29,961.03
Processing Charges	1,686.07	1,369.97
Less: Closing Stock		
Raw Materials and Components	6,753.21	4,826.83
Total	35,481.92	31,053.58

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

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening Balance		
Work in Progress	1,245.11	1,267.79
Finished Goods	7,042.71	4,547.12
Stock in Trade	3,889.59	3,834.52
Less Closing Balance		
Work in Progress	1,627.05	1,245.11
Finished Goods	5,923.67	7,042.71
Stock in Trade	3,472.43	3,889.59
Total	1,154.26	(2,527.98)

Notes forming part of Financial statements as at and for the year ended March 31, 2021

4.5 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, Wages, Bonus etc. (including payment to contractors)	6,441.56	6,674.28
Contribution to Provident and Other Funds	490.56	495.27
Staff Welfare Expenses	769.18	715.91
Total	7,701.30	7,885.46

4.6 - Finance Cost

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest cost on Financial Liabilities measured at Amortized cost	1,667.43	2,280.02
Other Borrowing Cost	69.87	133.39
Total	1,737.30	2,413.41

4.7 - Depreciation and Amortisation

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation / Amortisation for the year		
- Tangible Assets	1,259.56	1,079.77
- Intangible Assets	295.61	313.97
Total	1,555.17	1,393.74

4.8 - Other Expenses

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Power and Fuel	779.55	744.88
Rent	331.12	337.42
Repairs and Maintenance		
- Buildings	5.85	12.99
- Machinery	279.36	200.62
- Others	408.83	440.45
Freight Outward	3,682.16	3,456.89
Ware House Charges	1,391.33	987.96
Insurance	67.03	45.16
Rates and Taxes	172.30	139.73
Travel and Conveyance	628.03	1,043.64
Communication	54.42	61.43

Notes forming part of Financial statements as at and for the year ended March 31, 2021

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Payment made to Auditors (Refer Note: 4.8.1 Below)	20.16	17.49
Professional and Consultancy Charges	234.49	273.30
Advertisement, Publicity and Sales Promotion Expenses	9,409.20	6,476.58
Cash Discount	769.06	221.56
Sales Commission	694.27	973.89
Service Centre Expenses	559.85	519.21
Director's Sitting Fees	29.20	24.00
Provision for Doubtful Debts	188.00	106.50
Miscellaneous Expenses	974.73	807.61
Total	20,678.94	16,891.31

Note 4.8.1 Payment made to Auditors

₹ in Lakhs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
a) As Statutory Auditor		
i. Audit Fees	18.00	15.00
ii. Other Services	0.25	0.25
iii. Out of Pocket Expenses	0.16	0.31
b) As Cost Auditor		
i. Audit Fees	1.75	1.75
ii. Out of Pocket Expenses	-	0.18
Total	20.16	17.49

Notes forming part of Financial statements as at and for the year ended March 31, 2021

5. Other Financial Information

5.1 Contingent Liabilities:

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

₹ in Lakhs

Nature of Statute	As at March 31, 2021	As at March 31, 2020
Central Excise / Customs (of which ₹ 23.78 (PY ₹ 23.78) have been paid under protest)	2,014.05	2,014.05
VAT / Sales Tax (of which ₹ 27.10 (PY ₹27.60 lakhs) have been paid under protest)	162.25	206.11
Employee State Insurance and Labour matter (of which ₹ 26.88 (PY ₹ 26.88) have been paid under protest)	73.75	73.75
Total	2,250.05	2,293.91

5.1.2 Other Contingent Liabilities:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
First Loan Default Guarantee (FLDG)	1,400.00	1,000.00
Total	1,400.00	1,000.00

5.2 Capital Commitments

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Commitments (net of advance)	634.89	50.82

6. Disclosures in respect of Ind AS 107 - Financial Instruments

6.1 Financial Instruments by Categories

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

(₹ in Lakhs As at March 31, 2021)

Particulars	Amortized Cost	Financial Assets/ Liabilities at fair value through profit or loss	Financial Assets/ Liabilities at fair value through OCI
Assets:			
Non Current Investment	-	28.41	-
Other Non- Current Financial Assets	708.14	-	-
Current Trade Receivables	7,436.05	-	-
Cash & Cash Equivalents	3,299.82	-	-
Other Bank Balances	436.42	-	-
Other Financial Assets	505.01	-	-
Liabilities:			
Long term Borrowings	1,155.41	-	-
Other Non- Current Financial Liabilities	105.48	-	-
Short Term Borrowings	-	-	-
Trade Payables	16,361.66	-	-
Other Current Financial Liabilities	7,020.85	-	-

Notes forming part of Financial statements as at and for the year ended March 31, 2021

(₹ in Lakhs As at 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	349.22	-	.-
Current Trade Receivables	11,668.94	-	.-
Cash & Cash Equivalents	80.24	-	.-
Other Bank Balances	381.09	-	.-
Other Financial Assets	390.18	-	.-
Liabilities:			
Long term Borrowings	3,230.44	-	.-
Other Non- Current Financial Liabilities	62.59	-	.-
Short Term Borrowings	12,686.81	-	.-
Trade Payables	8,686.29	-	.-
Other Current Financial Liabilities	3,767.85	-	-

6.2 Fair Value Hierarchy

- **Level 1** - Quoted prices (unadjusted) in active markets for identical Assets or Liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

6.3 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

Use of quoted market prices for Listed instruments

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

₹ in Lakhs

Particulars	For the year ended March 31, 2021				For the year ended March 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Mutual Funds	28.41	-	-	28.41	18.40	-	-	18.40

7. Financial Risk Management

The Company is primarily exposed to fluctuation in Market risk, Credit risk and Liquidity risk. The Company has a risk management policy which addresses the risk associated with the financial asset and liabilities.

7.1 Market Risk

Market risk is the risk of fluctuation in future cash flow of financial instruments due to change in market prices arising on account of currency risk and Interest rate risk.

Notes forming part of Financial statements as at and for the year ended March 31, 2021

7.1.1 Foreign Currency Exchange Rate Risk

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

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Currently the Company follows a policy of hedging 100% of its trade payables. On an overall basis, the Company has hedged 47.83% 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	4.12	4.09	4.49	7.28
GBP	-	-	-	0.16

₹ in Lakhs

USD sensitivity at year end	As at March 31, 2021	As at March 31, 2020
Receivables:		
Weakening of INR by 5%	16.43	27.43
Strengthening of INR by 5%	(16.43)	(27.43)
Payables:		
Weakening of INR by 5%	(15.06)	(15.43)
Strengthening of INR by 5%	15.06	15.43

₹ in Lakhs

GBP sensitivity at year end	As at March 31, 2021	As at March 31, 2020
Receivables:		
Weakening of INR by 5%	-	0.76
Strengthening of INR by 5%	-	(0.76)

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

7.1.2 Interest Rate Risk

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

Notes forming part of Financial statements as at and for the year ended March 31, 2021

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, 2021	As at March 31, 2020
Fixed Rate Instruments		
Financial Asset		
- Margin Money with Bank	863.38	422.06
Financial Liabilities		
- Term Loan from Bank / Others	2,793.29	4,346.50
Variable Rate Instruments		
- Short Term Borrowings	-	12,686.81

The interest expenses and impact on statement of Profit and Loss on account of Increase / decrease of 100 basis points in interest rates at the balance sheet date is provided in table below:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Expenses arising on account of variable rate of interest on short term borrowings	414.79	1,185.79
Impact on Interest Cost:		
Increase in 100 basis point (Increase in Interest Cost)	(40.53)	(118.30)
Decrease in 100 basis points (Decrease in Interest Cost)	40.53	118.30

7.2 Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. It principally arises from the Company's Trade Receivables.

Trade Receivables:

The Company has outstanding trade receivables amounting to ₹ 7,436.05 lakhs and ₹ 11,668.94 lakhs as of March 31, 2021 and March 31, 2020, respectively. Trade receivables are unsecured in nature, except to the extent of security deposits received from the distributors. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

Credit risk is managed by the Company by continuous monitoring of overdue receivables and also by making adequate provision towards expected credit loss in the books of account as per the simplified approach stated in the accounting policy. With respect to retention money no credit risk is estimated as per terms of the arrangement and accordingly management has not provided for credit loss for the retention money.

Expected credit loss provision matrix provided below.

Particulars	Overdue Period		
	Within the credit period	0-180 days	More than 180 days
Trade Receivables	-	0.11%	28.83%

Notes forming part of Financial statements as at and for the year ended March 31, 2021

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, 2021		As at March 31, 2020	
	Gross	Impairment	Gross	Impairment
Within the credit period	2,233.23	-	3,026.92	-
0 to 180 days	3,699.21	4.01	7,353.26	25.46
More than 180 days	2,118.41	610.80	1,715.57	401.35

Movement in Provision for Doubtful Debts	Amount
As at April 01, 2020	426.81
Add: Provided for the year	188.00
Less: Utilization for the year	-
As at March 31, 2021	614.81

7.3 Liquidity Risk

Liquidity needs of the Company are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from the operations and bank borrowings.

The Company manages the liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues and repayment of loans arising during the normal course of business as of each reporting date. The Company meets its short term liquidity requirements primarily through efficient working capital management and by accessing additional and alternative credit facilities available in the financial market.

The Company 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.

As at March 31, 2021

₹ in Lakhs

Particulars	On demand and Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Term Loans	824.09	813.79	575.42	351.79	228.20	2,793.29
Short Term Borrowings	-	-	-	-	-	-
Security Deposits	263.76	-	-	-	-	263.76
Trade Payables	16,361.66	-	-	-	-	16,361.66
Other Financial Liabilities	5,079.45	-	-	-	-	5,079.45
Lease Liability	19.22	20.54	88.95	16.53	-	145.24

Notes forming part of Financial statements as at and for the year ended March 31, 2021

As at March 31, 2020

₹ in Lakhs

Particulars	On demand and Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Term Loans	558.09	557.97	1,503.71	746.36	980.37	4,346.50
Short Term Borrowings	12,686.81	-	-	-	-	12,686.81
Security Deposits	276.66	-	-	-	-	276.66
Trade Payables	8,686.29	-	-	-	-	8,686.29
Other Financial Liabilities	2,363.42	-	-	-	-	2,363.42
Lease Liability	5.66	6.05	28.64	33.95	-	74.30

8. Capital Management

The Company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The company does so by adjusting dividend paid to shareholders. The total capital as on March 31, 2021 is ₹ 22,399.48 Lakhs. (Previous Year: ₹ 19,268.08 Lakhs).

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Debt	2,793.29	17,033.31
Total Equity	22,399.48	19,268.08
Debt to Equity Ratio	0.12	0.88

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

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
a. Principal amount due to Suppliers under the Act	1,167.35	531.9
b. Interest accrued and due to Suppliers under the Act, on the above amount	-	1.07
c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	-	-
d. Interest paid to Suppliers under the Act (Other than Section 16)	-	-
e. Interest paid to Suppliers under the Act (Section 16)	-	-
f. Interest due and payable to suppliers under the Act, for payments already made	-	-
g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	-	-

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

Notes forming part of Financial statements as at and for the year ended March 31, 2021

10. Disclosure in respect of Indian Accounting Standard (Ind AS)-115 "Revenue from Contracts with Customers"

a) Disaggregation of Revenue:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
LPG Stoves	22,327.74	19,615.17
Mixer Grinder	25,288.76	19,629.06
Table Top Wet Grinder	10,198.17	7,880.47
Pressure Cooker	13,097.12	10,901.94
Others	16,052.02	9,842.86
Total Revenue from Contract with Customers	86,963.81	67,869.50

b) Contract liabilities such as advance from customers and liability for schemes and discounts are given below.

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers	409.81	385.96

c) Reconciliation of Revenue recognized with the contracted price and adjustments:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Transaction price	92,052.73	72,951.29
Less: Sales Return	(3,911.00)	(3,430.85)
Less: Schemes, Discounts & Refund Liability	(1,177.92)	(1,650.94)
Net Revenue	86,963.81	67,869.50

11. Disclosure in respect of Indian Accounting Standard (Ind AS)-116 "Leases"

a) Following are the changes in carrying value of liabilities.

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	74.30	-
Additions	108.37	89.00
Finance cost accrued during the year	13.00	3.40
Deletions	-	-
Payment of lease liabilities	(50.43)	(18.10)
Balance as at the end of the year	145.24	74.30

b) Following amount were recognized as expense:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation of right of use assets	7.80	1.49
Expense relating to short term leases	2,043.20	1,575.96
Interest on lease liabilities	13.00	3.40
Total amount recognized in statement of Profit & Loss	2,064.00	1,580.85

Notes forming part of Financial statements as at and for the year ended March 31, 2021

c) Maturity analysis of lease liabilities under Ind AS 116

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Within 1 year	39.76	11.71
Between 1 to 3 years	88.95	28.64
Between 3 to 5 years	16.53	33.95

d) The Company has committed to leases of Plant & Machinery which will commence in financial year 2021-22 having monthly lease payments of Rs. 10.44 Lakhs and security deposit & advance rentals made for such leases is Rs.102.10 Lakhs.

e) The lease agreements do not impose any restrictions or covenants other than the security interests in the leased assets that are held by the lessor.

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

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

a) Provident Fund:

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

b) Gratuity:

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

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

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

Movement in Defined Benefit Obligation:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation - Beginning of the year	987.70	765.50
Current Service Cost	125.18	91.60
Interest Cost	62.67	56.89
Past Service Cost	-	-
Benefits Paid	(87.72)	(37.65)
Re-measurements - Actuarial Loss / (Gain)	(90.97)	111.36
Defined Benefit Obligation – End of the year	996.86	987.70

Movement in Plan Asset:

₹ in Lakhs

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Fair value of Plan Assets at Beginning of Year	733.77	634.59
Employer Contributions	178.17	85.00
Benefits Paid	(87.72)	(37.65)
Re-measurements – Return on Plan Assets	51.73	50.16
Re-measurements - Actuarial (Loss) / Gain	(11.06)	1.67
Fair value of Plan Assets at End of Year	864.89	733.77

Notes forming part of Financial statements as at and for the year ended March 31, 2021

Amount Recognized in Statement of Profit and Loss

₹ in Lakhs

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Current Service Cost	125.18	91.60
Curtailment Cost/(Credit)	-	-
Net Interest on Net Defined Benefit Liability / (Assets)	10.95	6.74
Past Service Cost	-	-
Cost Recognized in Profit and Loss	136.13	98.34

Amount Recognized in Other Comprehensive Income (OCI)

₹ in Lakhs

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Actuarial (Gain) / Loss due to assumption changes	(90.97)	111.36
Difference between Actual Return and Interest Income on Plan Assets- (Gain) / Loss	11.06	(1.67)
Actuarial (Gain) / Loss recognized in OCI	(79.91)	109.69

Sensitivity Analysis

₹ in Lakhs

Assumption	Change in Assumption	As at March 31, 2021	As at March 31, 2020
Discount Rate	+0.50%	(50.65)	(51.21)
	-0.50%	55.11	55.81
Salary Growth Rate	+0.50%	50.77	51.28
	-0.50%	(47.29)	(47.55)

Actuarial Assumption

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.94%	6.64%
Rate of Salary Increase	7.00%	7.00%
Attrition Rate	3.50%	3.50%
Retirement Age	60 Years	60 Years
Average Future Service	14.6 Years	14.8 Years

Expected Benefit Payments

₹ in Lakhs

S.No.	Year of payment	As at March 31, 2021	As at March 31, 2020
1	Year 1	41.67	39.06
2	Year 2	85.79	91.79
3	Year 3	75.09	45.97
4	Year 4	77.16	95.54
5	Year 5	57.44	60.78
6	Next 5 Years	383.11	370.54

Notes forming part of Financial statements as at and for the year ended March 31, 2021

Category of Investment in Plan Assets

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

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in gratuity fund maintained by the Life Insurance Corporation of India.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

a) Information about major customers

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

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

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
No of Customer	1	1
Revenue (₹ in Lakhs)	22,407.85	9,669.40

b) Information about Geographical area:

The Company is Domiciled in India. The amount of its revenue from external customers broken down by location of customers is tabulated below:

₹ in Lakhs

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
India	85,960.30	66,388.78
Outside India	1,003.51	1,480.72

The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets are shown below:

Notes forming part of Financial statements as at and for the year ended March 31, 2021

₹ in Lakhs

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
India	16,964.16	17,538.36
Outside India	-	-

14. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

a) Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of Basic EPS is as follows:

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Profit for the year, attributable to the owners of the Company	₹ 3,615.81 Lakhs	₹ 397.90 Lakhs
Earnings used in calculation of basic earnings per share (A)	₹ 3,615.81 Lakhs	₹ 397.90 Lakhs
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	1,78,79,551	1,78,79,551
Basic EPS = (A/B) (Face Value of ₹10 per share)	₹ 20.22	₹ 2.23

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, 2021	For the Year Ended March 31, 2020
Profit for the year, attributable to the owners of the Company	₹ 3,615.81 Lakhs	₹ 397.90 Lakhs
Earnings used in calculation of basic earnings per share (A)	₹ 3,615.81 Lakhs	₹ 397.90 Lakhs
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	1,78,79,551	1,78,79,551
Diluted EPS = (A/B) (Face Value of ₹10 per share)	₹ 20.22	₹ 2.23

15 . Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

Warranty:

Provision is made for estimated warranty in respect of products sold which are still under warranty period at the end of the reporting period

Movement of provision for Warranty:

₹ in Lakhs

Particulars	Balance as at April 01, 2020	Additions during the year	Utilization during the year	Reversal during the year	Balance as at March 31, 2021
Provision for Warranty	602.08	708.31	578.38	-	732.01

Notes forming part of Financial statements as at and for the year ended March 31, 2021

16. Disclosures in respect of Ind As 7 - Statement of Cash Flow

Reconciliation of liabilities from financing activities:-

(i) Long Term Borrowings (Including Current maturities)

₹ in Lakhs

Particulars	As at April 01,2020	Cash Flow	Foreign Exchange Movement	Others**	As at March 31,2021
Term Loan from Bank	1,542.03	1,122.07	(945.98)	-	1,718.12
Term Loan from Others	2,804.47	-	(1,780.83)	51.53	1,075.17
Total	4,346.50	1,122.07	(2726.81)	51.53	2,793.29

** Represents moratorium interest converted as principal.

(ii) Short Term Borrowings

₹ in Lakhs

Particulars	As at April 01,2020	Cash Flow	Foreign Exchange Movement	As at March 31,2021
Working Capital Facilities	12,686.81	(12,686.81)	-	-
Other Short Term Borrowings	-	-	-	-
Total	12,686.81	(12,686.81)	-	-

17. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

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. 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 – Independent Director
 Mr. K.S. Ramakrishnan – Company Secretary & General Manager (Legal) (CS)
 Mr. R. Nagarajan – Chief Financial Officer (CFO)

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

Notes forming part of Financial statements as at and for the year ended March 31, 2021

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 – Company closed on 10.12.20 (under the process of striking off)

Butterfly Industrial Designs Private Limited

Swaminathan Enterprises Private Limited

Sivagurunathan Industries

East West Combined Industries

Mrinalini Industries

Bean and Leaf Beverages Private Limited

H&S Supply Chain Solution Private Limited

Chrysalis Home Needs Private Limited

Rishaba Industries LLP

B Cube Ventures LLP

Compensation to Key Managerial Persons (KMP)

17.1 Managerial Remuneration:

i. Directors :-

₹ in Lakhs

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Short-term employee benefits	394.96	440.16
Post-employment benefits (PF)	38.51	43.40
Total	433.47	483.56

Particulars	As at March 31, 2021	As at March 31, 2020
Payable	42.46	31.41

ii. Others (CFO & CS) :-

₹ in Lakhs

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Remuneration and Short-term Benefits	50.16	54.22
Post-employment benefits	3.01	3.03
Total	53.17	57.25

Particulars	As at March 31, 2021	As at March 31, 2020
Payable	3.42	1.73

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

Notes forming part of Financial statements as at and for the year ended March 31, 2021

Transactions during the year and outstanding balances

a. Enterprises owned or significantly influenced by Key Management Personnel or their Relatives:

₹ in Lakhs

S.No.	Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
1	Purchase of Goods	3,993.41	2,052.15
2	Services Received	4,424.42	3,865.90
	- Warehousing	1,070.96	857.17
	- Freight	3,317.10	2,730.11
	- Others	36.36	278.62
3	Sales and Services	173.78	115.82
	Total	8,591.61	6,033.87

b. Outstanding balances:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Receivable	0.29	-
Payable	725.33	363.62

c. Remuneration & Perquisites to Relatives of KMP

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Remuneration and Short-term benefits	182.25	159.84
Post-employment benefits	20.13	16.70
Total	202.38	176.54

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, 2021	As at March 31, 2020
Payable	7.04	12.03

18. Details of CSR Expenditure

₹ in Lakhs

Particulars	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	In Cash	Yet to be Paid in Cash	In Cash	Yet to be Paid in Cash
a. Gross amount required to be spent during the Year	-	-	-	-
b. Amount spent during the year				
i. Construction/acquisition of any asset	-	-	-	-
ii. On purposes other than (i) above	-	-	-	-

During the year the Company has spent ₹ 9.93 lakhs for CSR activities.

Notes forming part of Financial statements as at and for the year ended March 31, 2021

- 19 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. 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. As the demand has increased for home appliance products, the company has increased its production and sales from June 2020; since then, the production is normalised. 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.
20. Figures for the comparative period have been regrouped wherever necessary in conformity with current period classification.
21. 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 17th May 2021.

As per our report of even date attached
For ASA & Associates LLP
Chartered Accountants
Firm Regn No. 009571N/N500006

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

G.N.RAMASWAMI
Partner
Membership No. 202363

V.M.LAKSHMINARAYANAN
Chairman & Managing Director
DIN: 00106346

V.M.SESHADRI
Managing Director
DIN:00106506

A.BALASUBRAMANIAN
Independent Director
DIN:00490921

Place: Chennai
Date: 17.05.2021

R.NAGARAJAN
Chief Financial Officer

Concept & Design

HASTRA



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
143, Pudupakkam Village, Vandalur, Kelambakkam Road,
Chengalpet District- 603 103, Tamil Nadu, India,
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