

Butterfly Gandhimathi Appliances Limited

Regd Office: 143, Pudupakkam Village, Vandalur -Kelambakkam Road, Kelambakkam - 603 103
Phone No: 044-49005120, e-mail ID: edcs@butterflyindia.com; Website: butterflygandhimathiappliances.com



PART I

Statement of Audited Financial Results for the year ended on 31st March, 2014

₹ In lakhs

| Particulars | Three months ended | | | Year ended | Year ended |
|--|--------------------|------------------|------------------|------------------|------------------|
| | Audited | Un audited | Audited | Audited | Audited |
| | 31.03.14 | 31.12.13 | 31.03.13 | 31.03.14 | 31.03.13 |
| | ₹ | ₹ | ₹ | ₹ | ₹ |
| 1. a) Gross Sales/Income from Operations | 18,866.26 | 26,439.39 | 35,484.76 | 83,886.82 | 80,699.66 |
| Less: Excise Duty | 1,501.46 | 2,413.37 | 3,726.73 | 7,468.69 | 8,163.47 |
| Net Sales/ Income from Operations (Net of Excise Duty) | 17,364.80 | 24,026.02 | 31,758.03 | 76,418.12 | 72,536.19 |
| b) Other Operating Income | 112.58 | 139.37 | 81.93 | 479.50 | 321.89 |
| Total Income | 17,477.38 | 24,165.39 | 31,839.95 | 76,897.62 | 72,858.08 |
| 2. Expenses | | | | | |
| a. Cost of Material Consumed | 10,350.37 | 15,638.11 | 22,826.15 | 48,357.68 | 44,412.57 |
| b. Purchase of Stock-in-trade | 1,361.68 | 1,706.82 | 1,140.95 | 5,587.53 | 7,348.51 |
| c. Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade | (511.24) | (462.95) | (2,083.42) | (1,923.46) | (2,640.50) |
| d. Employee Benefit Expenses | 1,643.04 | 1,504.70 | 1,986.42 | 6,081.37 | 5,154.68 |
| e. Depreciation and Amortisation Expenses | 121.01 | 136.20 | 104.71 | 493.26 | 400.59 |
| g. Other Expenditure | 3,632.27 | 4,228.91 | 5,117.85 | 13,367.87 | 11,982.74 |
| Total Expenses | 16,597.14 | 22,751.79 | 29,092.67 | 71,964.25 | 66,658.60 |
| 3. Profit/(loss) from Operations before Other Income, Interest and Exceptional item (1-2) | 880.24 | 1,413.60 | 2,747.28 | 4,933.37 | 6,199.48 |
| 4. Other Income | 31.88 | 17.40 | 35.15 | 175.18 | 191.87 |
| 5. Profit/(Loss) from Ordinary Activities before Finance Costs and Exceptional items (3 + 4) | 912.12 | 1,431.00 | 2,782.43 | 5,108.56 | 6,391.35 |
| 6. Finance Costs | 646.15 | 567.39 | 474.70 | 1,674.59 | 1,532.98 |
| 7. Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional items (5 - 6) | 265.98 | 863.61 | 2,307.74 | 3,433.96 | 4,858.37 |
| 8. Exceptional Items | - | - | - | - | (87.17) |
| 9. Profit / Loss from Ordinary Activities before Tax (7+8) | 265.98 | 863.61 | 2,307.74 | 3,433.96 | 4,771.20 |
| 10. Tax Expenses | | | | | |
| - Income Tax | (47.31) | 228.32 | 799.01 | 887.18 | 1,450.71 |
| - Excess Provision for Taxation Made for the Previous Year reversed | - | - | - | - | (139.75) |
| - Deferred Tax Asset/Liabilities | 212.01 | 47.10 | (29.62) | 305.37 | 117.95 |
| 11. Net Profit / (Loss) from Ordinary Activities after Tax (9-10) | 101.28 | 588.19 | 1,538.35 | 2,241.42 | 3,342.29 |
| 12. Extraordinary Items (net of Tax expenses) | - | - | - | - | - |
| 13. Net Profit / (Loss) for the period (11+12) | 101.28 | 588.19 | 1,538.35 | 2,241.42 | 3,342.29 |
| 14. Paid-up Equity Share Capital | 1,787.95 | 1,787.95 | 1,787.95 | 1,787.95 | 1,787.95 |
| (Face Value of the Share Rs.10 each) | | | | | |
| 15. Reserves excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year | - | - | - | 20,502.06 | 18,260.64 |
| 16.i Earnings Per Share (before extraordinary items) | | | | | |
| a. Basic | 0.57 | 3.29 | 8.60 | 12.54 | 18.69 |
| b. Diluted | - | - | - | - | - |
| 16.ii Earnings Per Share (after extraordinary items) | | | | | |
| a. Basic | 0.57 | 3.29 | 8.60 | 12.54 | 18.69 |
| b. Diluted | - | - | - | - | - |



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PART II

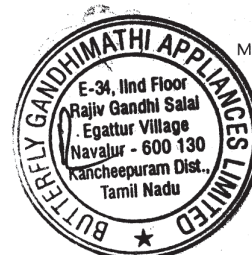
| Particulars | Three months ended | | | Year ended | Year ended |
|---|--------------------|-------------|-------------|-------------|-------------|
| | Audited | Un audited | Audited | Audited | Audited |
| | 31.03.14 | 31.12.13 | 31.03.13 | 31.03.14 | 31.03.13 |
| A. PARTICULARS OF SHAREHOLDING | | | | | |
| 1. Public Share Holding | | | | | |
| - Number of Shares | 62,35,773 | 62,35,773 | 63,08,273 | 62,35,773 | 63,08,273 |
| - Percentage of Shareholding | 34.88% | 34.88% | 35.28% | 34.88% | 35.28% |
| 2. Promoters and Promoter Group Share Holding | | | | | |
| a) Pledged/Encumbered | | | | | |
| - Number of Shares | - | 3,18,100 | 3,18,100 | - | 3,18,100 |
| - Percentage of Shares (as a % of the total Share holding of Promoter and Promoter Group) | 0.00% | 2.73% | 2.83% | 0.00% | 2.83% |
| - Percentage of Shares (as a % of the total Share Capital of the Company) | 0.00% | 1.78% | 1.78% | 0.00% | 1.78% |
| b) Non-encumbered | | | | | |
| - Number of Shares | 1,16,43,778 | 1,13,25,678 | 1,12,53,178 | 1,16,43,778 | 1,12,53,178 |
| - Percentage of Shares (as a % of the total Share holding of Promoter and Promoter Group) | 100.00% | 97.27% | 97.25% | 100.00% | 97.25% |
| - Percentage of Shares (as a % of the total Share Capital of the Company) | 65.12% | 63.34% | 62.94% | 65.12% | 62.94% |

| BUTTERFLY GANDHIMATHI APPLIANCES LIMITED | | ₹ In lakhs | | PARTICULARS | | ₹ In lakhs | |
|--|------------------|------------------|----------------------------------|------------------|------------------|------------|--|
| STATEMENT OF ASSETS AND LIABILITIES | | | | | | | |
| PARTICULARS | As at 31.3.2014 | As at 31.3.2013 | PARTICULARS | As at 31.3.2014 | As at 31.3.2013 | | |
| | ₹ | ₹ | | ₹ | ₹ | | |
| A. EQUITY AND LIABILITIES | | | B. ASSETS | | | | |
| 1.Shareholders' funds | | | 1. Non-Current Assets | | | | |
| a. Share Capital | 1,787.95 | 1,787.95 | a. Fixed Assets | 16,370.54 | 10,190.98 | | |
| b. Reserves and Surplus | 20,582.15 | 18,340.73 | b. Non-Current Investment | - | - | | |
| Sub - total - Share Holders' Funds | 22,370.10 | 20,128.68 | c. Deferred Tax Assets (Net) | 31.88 | 337.25 | | |
| 2.Share Application money pending allotment | | | Sub - total - Non Current Assets | 16,402.43 | 10,528.23 | | |
| 3.Non-Current Liabilities | | | 2.Current Assets | | | | |
| a. Long-term Borrowings | 1,429.03 | 640.49 | a. Current Investment | - | - | | |
| b. Other Long-term Liabilities | 387.02 | 409.31 | b. Inventories | 16,722.60 | 15,879.41 | | |
| c. Long-term provisions | 328.30 | 222.27 | c. Trade Receivables | 27,933.58 | 19,549.30 | | |
| Sub - total - Non Current Liabilities | 2,144.35 | 1,272.07 | d. Cash and Cash Equivalents | 1,999.19 | 4,625.74 | | |
| 4.Current Liabilities | | | e. Short-term Loans and Advances | 4,209.75 | 3,573.75 | | |
| a. Short-term Borrowings | 17,128.71 | 3,708.18 | Sub - total - Current Assets | 50,865.13 | 43,628.21 | | |
| b. Trade Payables | 20,720.20 | 22,040.49 | | | | | |
| c. Other Current Liabilities | 2,214.07 | 4,470.37 | | | | | |
| d. Short-term Provisions | 2,690.12 | 2,536.63 | | | | | |
| Sub - total - Current Liabilities | 42,753.10 | 32,755.68 | | | | | |
| TOTAL - EQUITY AND LIABILITIES | 67,267.55 | 54,156.44 | TOTAL - ASSETS | 67,267.55 | 54,156.44 | | |

Notes: 1. The above results, were reviewed by the Audit Committee of the Board and were approved by the Board of Directors at its meeting held on 28th May, 2014. 2. Gross Sales include supplies to Tamilnadu Civil Suppliers Corporation (TNCSC) of ₹. 8,080 Lakhs for the quarter ended on 31.03.14, ₹ 12,324 Lakhs for the quarter ended on 31.12.13, ₹. 23,150 Lakhs for the quarter ended on 31.03.13, and ₹. 33,126 Lakhs for current financial year ended on 31.03.2014, ₹. 36,877 Lakhs for previous year ended on 31.03.2013. 3. With a view to conserve financial resources for accelerated growth of the company, no dividend has been recommended by the Board for the financial year ended on 31.03.2014 against ₹. 2.50 per equity share for previous financial year. 4. Other Expenses include Exchange Fluctuation Loss of ₹. 79.87 Lakhs for the quarter ended on 31.03.14, ₹ 44.55 Lakhs for the quarter ended on 31.12.13, ₹. 53.95 Lakhs for the quarter ended on 31.03.13 and ₹. 535 Lakhs for current financial year ended on 31.03.2014, ₹. 228.58 Lakhs for previous year ended on 31.03.2013. 5. The Company under a Business Purchase Agreement dated 26th March, 2014 has acquired Domestic Kitchen and Domestic Electrical Appliance division, with the trade mark 'Butterfly' from its associate enterprise, M/s.LLM Appliance Ltd. by way of 'Slump Sale' on a going concern basis at the close of transaction on 29th March, 2014, for a net consideration of ₹ 4.775 Lakhs, treated as Intangible Asset in the form of Trade Mark and Licences. 6. The operation of the Company relates to only one segment, viz., domestic appliances. 7. The figures for last quarter of the financial year 2013-14 are balancing figures between the audited figures in respect of the full financial year and the published figures upto the 3rd quarter of the financial year. 8. Figures for Previous year and previous quarters have been regrouped, wherever necessary.

| B. Investor complaint Quarter Mar 2014 | |
|---|-----|
| Pending at the beginning of the quarter | Nil |
| Received during the quarter | 18 |
| Disposed during the quarter | 18 |
| Remaining unsolved at the end of the quarter | Nil |

Place: Navalur
Date:28.05.2014



(V.M.SESHADRI)
MANAGING DIRECTOR

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS OF
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

Report on the Financial Statements:

We have audited the accompanying financial statements of Butterfly Gandhimathi Appliances Limited (the "Company") , which comprise the Balance sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk



assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the 'Act' in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the 'Act', we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the 'Act' read with the General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- (e) On the basis of written representations received from the Directors as at March 31, 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the 'Act'.

For RUDHRAKUMAR ASSOCIATES
Chartered Accountants
Registration No: 007033S



R. Rudhrakumar

R.Rudhrakumar
Proprietor
Membership No.019444

Chennai - 600 017
Date : 28th May, 2014

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
BUTTERFLY GANDHIMATHII APPLIANCES LIMITED**

(Referred to in Paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our Report of even date)

1. In respect of the Company's fixed assets :

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) These fixed assets are physically verified by the management in a phased manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

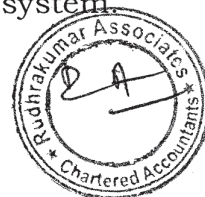
2. In respect of the Company's Inventories :

- (a) The Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable in relation to the size of the Company and the nature of its business.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. However, the discrepancies noticed on physical verification which were not material have been properly dealt with, in the books of account.

3.

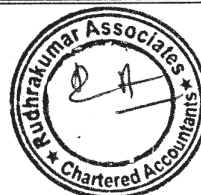
- (a) The Company has not granted any loans, secured or unsecured, during the year to Companies, firms or other parties, covered in the register maintained under section 301 of the 'Act'.
- (b) The Company has not taken any loans, secured or unsecured, during the year from Companies, firms or other parties covered in the register maintained under Section 301 of the 'Act'.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventories, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.



5. In respect of contracts or arrangements entered in the Register maintained U/s 301 of the 'Act':
- (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the 'Act', have been entered.
 - (b) The transactions made in pursuance of such contracts or arrangements in excess of Rs 5,00,000/- in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time or the prices at which the transactions for similar goods have been made with other parties.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the 'Act' and the rules framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government U/s 209 (1) (d) of the 'Act' and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues by way of Provident Fund, Employees' State Insurance, Sales-tax, Income-tax, Value Added Tax, Customs duty, Service Tax, Excise duty, Cess and other statutory dues applicable to it with the appropriate authorities.
- (b) The details of disputed statutory dues which have not been deposited are as under.

| Sl. No. | Name of the Statute | Nature of the dues | Amount [Rs. in Lakhs] | Forum where the dispute is pending |
|---------|--------------------------|-----------------------------------|-----------------------|------------------------------------|
| 1 | Central Excise Act, 1944 | Excise Duty, interest & penalty | 2182.57 | CESTAT, Chennai |
| 2 | VAT Acts. | Sales Tax | 476.92 | Deputy Commissioner [Appeal] |
| 3 | ESI Act | ESI Contribution/interest/damages | 14.54 | Principal Labour Court, Chennai |
| 4 | Labour Act | Additional Compensation | 43.67 | Principal Labour Court, Chennai |

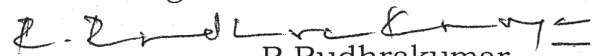


10. The Company has no accumulated losses and has not incurred cash losses during this financial year and in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions/banks during the year.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to a chit fund / nidhi / mutual benefit fund / society are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, the term loans were applied during the year for the purpose for which the loans were obtained.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet and Fund flow statement of the Company, in our opinion, the funds raised on short term basis during the year have prima facie not been used during the year for long term investments.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Chennai – 600 017
Date: 28th May, 2014



For RUDHRAKUMAR ASSOCIATES
Chartered Accountants
Registration No: 007033S


R. Rudhrakumar
Proprietor
Membership No.019444