



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

September 8, 2017

General Manager – DCS,
Dept. of Corporate Services,
BSE Ltd,
Floor I, 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: Chairman Speech

We are forwarding herewith a copy of the Chairman Speech delivered at the Thirtieth Annual General Meeting of our Company held on 07.09.2017 at the Company's Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District.

We request you to kindly take the above documents as record.

Thanking you,

Yours faithfully,
For Butterfly Gandhimathi Appliances Limited

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

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

Phone : +91-44-4741 5500 CIN No. : L28931TN1986PLC012728

E-mail : gmal@butterflyindia.com Web : www.butterflyindia.com

Corporate Office : E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur - 600 130, Kancheepuram District.

Phone : 044 - 4900 5100, 5154 E-mail : butterflyho@butterflyindia.com



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

**Chairman's Speech at 30th Annual General Meeting
of the Company held on 07.09.2017**

Dear Shareholders,

It gives me great pleasure in welcoming you all to the 30th Annual General Meeting of your Company. The Annual Report for the year ended 31st March 2017 has been shared with you. So, with your permission, I shall take it as read.

Review of Performance

The Financial Year 2016-17 was a year of several surprises and challenges, in equal measure to trade and industry as also to the common consumer. On a larger canvas, the global economy was caught in crosshairs of sluggish demand and currency volatility. These were ultimately reflected in the growth rates of large economies. In an era of global integration, Indian economy cannot remain totally insulated from the global currents. To face these challenges, it must be said to the credit of our policy makers a number of policies front and in boosting investment, particularly in the infrastructure.

The kitchen appliances sector which had witnessed an exponential growth trend for the last few decades, started slowing down over the last couple of years due to various factors such as volatility in the prices of raw materials besides uncertainties in their availability, aggravated by natural calamities like floods and cyclones in the areas where your company's products have strong presence. While the demonetization of certain currencies in India affected the sales dramatically post November 8th, 2016, this measure would benefit the nation in the long run.

Total Branded Sales stood at Rs. 447.35 crores for the financial year 2016-17 as compared to 487.50 crores in the financial year 2015-16. The notable feature was that the entire revenue came from the Company's branded products without Government order in FY2017.

During the fiscal, the objective and focus of the turnaround plan is improving balance sheet liquidity, greater market penetration and reduction of debt. In addition to that, improving focus towards the launch of additional products categories, focus on innovative customer friendly products, expansion into modern retail formats, building a

strong presence in the digital world (e-commerce), exports and enhanced brand awareness activities are some of the few initiatives taken to achieve turnaround in the current fiscal year.

Corporate Governance

The philosophy of your Company in relation to corporate governance is to ensure transparency in its dealings and compliance of applicable laws and regulations in order to promote ethical conduct and practices throughout the organization. Your Company is committed to comply with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2017 relating to the Corporate Governance and the guidelines on Corporate Governance. A separate section on corporate governance furnishing applicable details forms part of the Directors' Report.

Industrial Relations

I am pleased to inform you that industrial relations at all units have been cordial during the year under review and, on behalf of your Directors, I would like to acknowledge the co-operation and contribution of the entire workforce.

Auditors' comments

As you are aware, the existing Statutory Auditors M/s Rudhrakumar Associates, retire from their office at the conclusion of 30th Annual General Meeting.

On behalf of the shareholder and the Board, I take this opportunity to place on record our appreciation for the valuable services rendered by them during their tenure as Auditors of the Company.

Acknowledgements

Before I conclude, on behalf of the Board of Directors of your Company, I wish to convey my earnest thanks to the valued Shareholders for your continued support and trust. This motivates us to excel in all our pursuits and constant endeavor to create value for you.

I would like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company to higher levels of achievement.

Above all, I would like to place on record the commendable efforts and commitments shown by our most valued resource, i.e. the Human Resource of the Company as our employees have always contributed their best and enabled the Company to set new benchmarks.

Jai Hind

V.M.Lakshminarayanan
Chairman & Managing Director
Butterfly Gandhimathi Appliances Limited