



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

September 11, 2018

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

Manager,
National Stock Exchange of India Ltd
Exchange Plaza,
BandraKurla Complex,
Bandra (E),
Mumbai – 400 051
Thro' NEAPS

Dear Sir,

Sub: Chairman Speech

We are forwarding herewith a copy of the Chairman Speech delivered at the Thirty First Annual General Meeting of our Company held on 11.09.2018 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)

Encl:a/a.



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

**Chairman's Speech at 31st Annual General Meeting
of the Company held on 11th September 2018**

Dear Shareholders,

It gives me immense pleasure to welcome you all, to this 31st Annual General Meeting of your Company. The Annual Report for the year 2018 has been shared with you. So, with your permission, I shall take it as read.

During the financial year 2017-18, the macro business environment was characterized by uncertainty and volatility whilst global growth was showing signs of recovery there are still a long way to go. The recovery was marked stronger than expected the Euro area and to a lesser degree in the United States and Japan. As economic slack demises and monetary policy becomes less accommodation growth is expected to gradually moderate toward low potential growth rate in 2018-19. Even in these uncertain circumstances, India's growth story has largely remained positive, and India has registered a steady pace of GDP growth around 7 percent in the financial year 2017-18. The declines of growth were due to the launch of transformational GST reforms on 1st July 2017, implementing a major recapitalisation package to strengthen the public sector bank, liberalisation of FDI and export contribute to global recovery.

Despite a very competitive and challenging environment, the overall performance of the Company is promising. With appropriate strategic and effective implementation, your company is well on course to improve its performance.

The net income of your Company during the year ended 31st March 2018 was Rs.540.55 crores as against Rs.404.85 crores for the previous year ended 31st March 2017. During the year under review, the Company made a net profit after tax of Rs.4.81 crores against the net loss of Rs.51.76 crores in the previous year.

We believe that the actions taken by the Company are effective and deal with business challenges as we see them today; but flexibility in this uncertain economy is crucial.

Your Company has been continuously focusing on all round cost reduction in different areas of operations to achieve savings and gains that has significantly contributed to the above performance.

Continued focus on providing that high quality, world class new and innovative products, flexibility and agility are perceived as the mantras of your Company towards a competitive environment.

Despite so much as transformational and suddenly implemented government reforms and volatility in economic conditions, your Company is optimistic about the business prospects and about its capabilities to leverage them for the benefits of the Company.

As we look to the future, we believe that we will be operating in a demanding and challenging environment. To remain competitive in the challenging and demanding environment, the bench mark has to be high in anticipation of the needs of the customers and markets. Your Company will continue to build on its strengths through strong systems and processes, competitiveness, ability to adapt to changes quickly and in customer engagement. The overall trend is encouraging but remaining competitive in this competitive environment would be a challenge. I believe however, that the combination of low manufacturing costs along with quality products has positioned our Company well in terms of pricing and quality, knowledge, specialisation, innovation and networking.

I am expecting a stronger year ahead. The Company will endeavour to rejuvenate in near future as kitchen appliances products demand increases. The overall strategy of your Company will be driven by its strength and competencies.

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 with 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.

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 endeavour 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