BUTTERFLV GANDHIMATHI APPLIANCES LIMITED

August 16, 2018

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,
Sandra Kurla Complex,
Sandra (E),
Mumbai -400 051
Scrip : Butterfly

Dear Sir,

Annual Report for the year ended 31st March 2018

With reference to the above, we are enclosing Annual Report for the year ended 31st March 2018 for your reference.

Kindly acknowledge the same.

Further, we would like to inform you that the 31st Annual General Meeting of the Company has been scheduled to be held at11.00 a.m. on Tuesday, September 11, 2018 at the Company's registered office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam - 603 103, Kancheepuram District.

Thanking you,

Yours faithfully,
For Butterfly Gandhimathi Appliances Limited

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

Encl:a/a.

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, I Floor, Rajiv Gandhi Salai, Egattur Village, Navalur - 600 130, Kancheepuram District.
Phone : 044 - 4900 5100, 5154 E-mail : butterflyho@butterflyindia.com

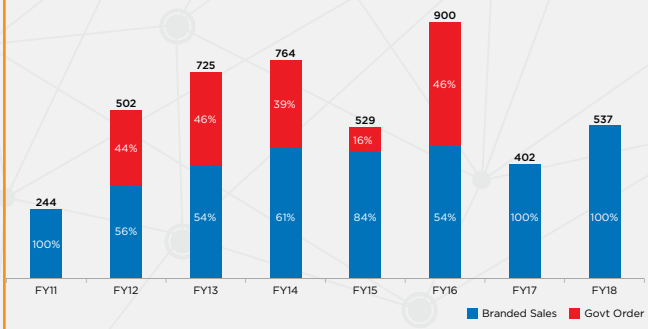
Butterfly®

Good for a lifetime

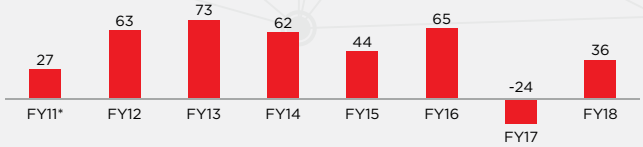
ANNUAL REPORT 2018

SOARING TO EXCELLENCE

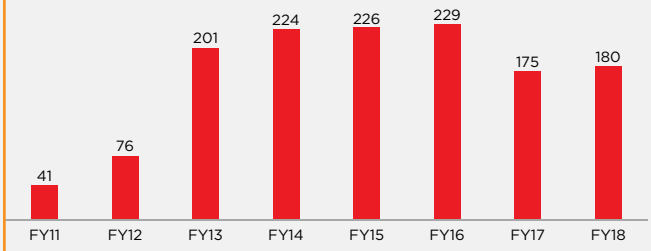
Annual Net Revenue (₹.crore)



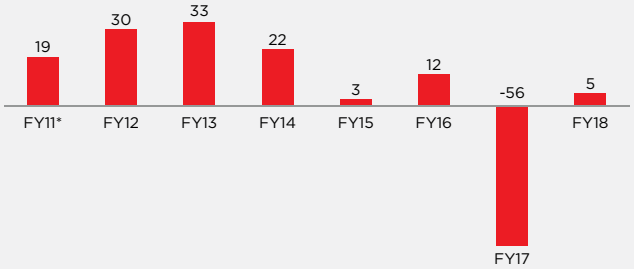
EBITDA (₹.crore)



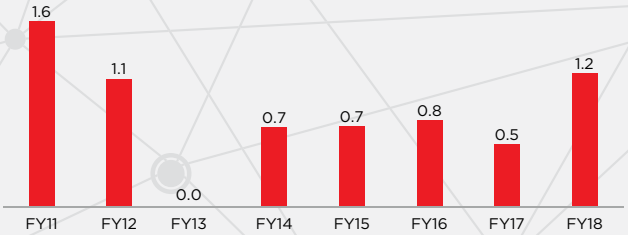
Net worth (₹.crore)



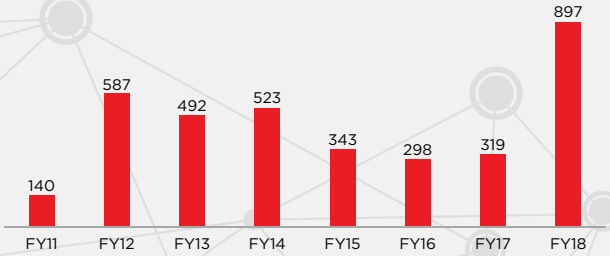
Profit After Tax (₹.crore)



Net Debt - Equity Ratio



Market Cap (₹.crore)



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

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BOARD OF DIRECTORS

Mr. V. M. Lakshminarayanan	Chairman & Managing Director
Mr. V. M. Balasubramaniam	Vice Chairman & Managing Director
Mr. V. M. Seshadri	Managing Director
Mr. V. M. Gangadharam	Executive Director
Mr. V. M. Kumaresan	Executive Director - Technical
Mr. K. Ganesan	Independent Director
Mr. M. Padmanabhan	Independent Director
Mr. A. Balasubramanian	Independent Director
Mr. K. J. Kumar	Independent Director
Mr. G. S. Samuel	Independent Director
Mr. T. R. Srinivasan	Independent Director
Mrs. Maheshwari Mohan	Woman Independent Director
Mr. Anand Mundra	Nominee Director - Equity Investor
Mr. Prakash Iyer	Chief Executive Officer
Mr. K. S. Ramakrishnan	Company Secretary & General Manager - Legal
Mr. R. Nagarajan	Chief Financial Officer

STATUTORY AUDITORS

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

COST AUDITORS

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

REGISTERED OFFICE

143, Pudupakkam Village,
Vandalur - Kelambakkam Road,
Kelambakkam – 603103
Kancheepuram District, Tamil Nadu
CIN: L28931TN1986PLC012728
Phone: 044-044-47415500/46.
Email: butterflyho@butterflyindia.com

REGISTRAR & SHARE TRANSFER AGENT

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

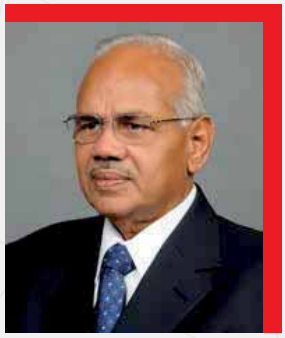
CORPORATE OFFICE

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

BANKERS

State Bank of India
Axis Bank
IDBI Bank
Bank of Maharashtra

Chairman's Message



Mr. V. M. Lakshminarayanan
Chairman

Dear Fellow Shareholders,

During the financial year 2017-18, the macro business environment was characterized by uncertainty and volatility. While global growth is showing signs of recovery there is still a long way to go. The recovery was markedly stronger than expected in the Euro area, and, to a lesser degree, in the United States and Japan. As economic slack demises and monetary policy becomes more accommodative growth is expected to stabilise. 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 growth path for India looks promising led by, GST being implemented, focus on cleaning up the nonperforming assets especially of PSB's (public sector banks), their recapitalisations and a string of mergers being on the anvil. The Government continues its focus on bringing in fundamental reforms to liberalise business and this will provide strong impetus to growth in the future.

Despite a very competitive and challenging environment, the overall performance of the Company has been significantly positive. With appropriate strategic and effective measures in place, your company is well on course to improve its performance.

The net income of the Company during the year ended 31st March 2018 was Rs. 540.55 crores as against Rs.404.85 crores for the 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.51.77 crores for the previous year ended 31st March 2017.

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, with a clear vision on keeping the customer's need in mind will always hold the Company in good stead and positively enhance the Butterfly brand value and contribute significantly towards a stronger financial performance.

As we look to the future, we believe that we will be operating in a demanding and challenging environment. The Company is also focusing towards building a strong foundation in modern trade, retail and e-commerce formats and also has tied-up for supply to Canteen Stores Department and Government Stores and is looking to substantially increase in exports. Your Company will continue to build on its strengths through strong operating systems and processes, competitiveness, ability to adapt to changes quickly and customer engagement. I believe however, that the combination of low manufacturing costs along with quality systems has positioned our Company well in terms of pricing and quality, knowledge, specialisation, innovation and networking and will determine the success of the Company in this environment. The overall strategy of your Company will be driven by its strength and competencies.

As we look ahead to greater prosperity, I would like to express my appreciation to our employees at all levels for their contribution towards the performance of the Company. I would also like to extend my gratitude to our Customers, Stakeholders, Bankers and Suppliers for their loyalty and trust in us. I would like to express my sincere appreciation to all our Shareholders for their continued encouragement and support.

Yours sincerely,

Chairman

Butterfly Gandhimathi Appliances Limited

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of the Company will be held at its Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu on Tuesday, 11th September, 2018 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2018 together with the Reports of the Board of Directors and Auditors thereon and in this regard pass the following as an **Ordinary Resolution**:

RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March 2018 and the Report of the Board of Directors and the Auditors thereon, laid before the meeting be and is hereby approved and adopted.

2. To appoint Mr.V.M.Gangadharam (DIN: 00106466), who retires by rotation, and, being eligible offers himself for reappointment as a Director of the Company and in this regard pass the following 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 for reappointment be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS:

3. To pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act 2013 and the Rules made thereunder, approval is hereby accorded for the remuneration of Rs.1,75,000/- (Rupees One lakhs seventy five thousand only) plus taxes as applicable and reimbursement of travel and out of pocket expenses, to be paid to M/s.S.Mahadevan & Co., Cost Accountants (Regn. No.000007), Chennai approved by the Board as Cost Auditors for conducting the audit of cost records of the Company, for the financial year ending 31st March 2019, as approved by the Board of Directors of the Company be and is hereby ratified".

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

"RESOLVED THAT pursuant to Regulations 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended on 9th May 2018 and the applicable provisions of the Companies Act 2013, if any/Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the continuation of Mr.K.Ganesan (DIN:00102274) aged about 87 years, as a Non-Executive Independent Director of the Company from 1st April 2019 till the conclusion of his present tenure i.e., 31st July 2019 is hereby approved."

Navalur – 600 130
Date: 07.07.2018

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

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from 05.09.2018 to 11.09.2018 (both days inclusive) for annual closing.
2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies (Proxy Form attached herewith) to attend and vote on a poll instead of himself/ herself. Such a proxy/proxies need not be a member of the Company**. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the share capital of the Company. The instrument of proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarial certified

NOTICE TO THE SHAREHOLDERS

copy of that Power of authority in order to be effective shall be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours (forty eight hours) before the commencement of the Meeting. Proxies submitted on behalf of the companies/societies, etc., must be supported by an appropriate resolution/authority, as applicable.

4. The necessary documents in relation to the proposed resolutions shall be open for inspection at the Registered Office of the Company during business hours, from Monday to Friday and will also be available for inspection at the Annual General Meeting.

5. Members/Proxy holders are requested to affix their signatures at the space provided in the Attendance Slip and handover the slip at the entrance of the meeting hall.

6. Corporate Members/Societies are requested to send a duly certified copy of the Board of Directors/ Governing Bodies resolution/Power of Attorney authorising their representative to attend and vote on their behalf at the Annual General Meeting.

7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

8. The Members are informed that in the case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. In terms of the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with Company's) Rules 2012 ('IEPF Rules'), the Company has uploaded the information in respect of the unclaimed dividends for financial years from 2010-11, 2011-12, 2012-13 and 2015-16 as on the date of the thirtieth Annual General Meeting held on 7th September, 2017 on the website of the IEPF viz., www.iepf.gov.in and under 'Investor Section' on the website of the Company viz., www.butterflyindia.com. Members who have not encashed their dividend warrants are advised to write to the Company/its Share Registrars immediately claiming the un-encashed dividends declared by the Company.

10. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Income Tax Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their Demat Account. Members holding shares in physical form can submit their PAN details to the Company/its Share Registrars.

12. Members are requested to update their preferred e-mail ids with the Depository Participants/ Company's Registrar and Transfer Agents, which will be used for the purpose of sending the official documents through e-mail in future.

13. Electronic copy of the Notice of the thirty first Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the thirty first Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.

14. Members may note that the Notice of the Thirty First Annual General Meeting and the Annual Report 2018 will also be available on the Company's website www.butterflyindia.com for their download. The physical copies of the above documents will also

NOTICE TO THE SHAREHOLDERS

be available at the Company' s registered office for inspection during normal business hours on working days, excepting Saturdays. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may send request to the Company's investor email ID: investorcare@butterflyindia.com.

15. Voting through Electronic means:

(i) In compliance with provisions of Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015), as amended and Regulation 44 of the SEBI (LODR) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the thirtieth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

(ii) The Notice of the AGM of the Company inter-alia indicating the process and manner of e-voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link https://www.evoting.nsdl.com or www.butterflyindia.com

(iii) The remote e-voting period commences on Saturday 8th September 2018 (9.00 a.m.) and ends on Monday 10th September 2018 (5.00 p.m.). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 04.09.2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

(iv) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 04.09.2018. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., 04.09.2018 may obtain login ID and password by sending a request at evoting@nsdl.co.in or sta@gnsainfotech.com.

(v) The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting as per (i) above shall be able to exercise their right at the meeting through ballot paper.

(vi) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

(vii) The procedure to login to e-voting website is given below:

1. Open email and open PDF file viz., "Butterfly Gandhimathi e-voting.pdf" with your client ID (in case you are holding shares in demat mode) or folio number (in case you are holding shares in physical mode) as password which contains your "user ID" and "password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/
3. Click on "Shareholder – Login".
4. Put user ID and password as initial password noted in step (1) above and Click login. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
5. Password Change Menu appears. Change the password with new password of your choice with minimum eight digits/characters or combination thereof.
6. Home page of remote 'e-voting' opens. Click on e-voting: Active Voting Cycles.

NOTICE TO THE SHAREHOLDERS

7. Select 'EVEN' of Butterfly Gandhimathi Appliances Limited. Members can cast their vote online from Saturday 8th September 2018 (9.00 a.m) to Monday 10th September 2018 (5.00 p.m).

   Note: e-voting shall not be allowed beyond said time.

8. Now you are ready for remote 'e-voting' as 'Cast Vote' page opens.

9. Cast your vote by selecting appropriate option and click on "SUBMIT" and also "CONFIRM" when prompted. Upon confirmation, the message "Vote Cast Successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

10. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board resolution/ authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through an email to evoting@akjainassociates.com with a copy marked to evoting@nsdl.co.in.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

Other Information:

- Login to 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 'Forgot Password' option available on the site to reset the same.
- Your login ID and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the downloads sections of https://www.evoting.nsdl.com or contact NSDL at the following toll free no.:1800-222-990.

In case a member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Depository Participant(s)/Company's Registrars and Share Transfer Agents or requesting physical copy):

(i) Initial password is provided as below/at the bottom of the attendance slip for the AGM

REVEN (Remote E-Voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl.No. (2) to Sl.No.(10) above, to cast vote.

(iii) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and Password for casting your vote.

(iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(v) The voting right of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, i.e., 4.9.2018.

(vi) A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of Remote e-voting as well as Voting at the AGM through ballot paper,

(vii) Mr.Balu Sridhar (C.P.No.3550), Partner, M/s.A.K.Jain Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting

NOTICE TO THE SHAREHOLDERS

process in a fair and transparent manner for the purpose of e-voting.

(viii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

(ix) The Scrutinizer after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in employment of the Company and shall make, not later than three days, of the 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 authorized by him in writing, who shall counter-sign the same and declare the result of the voting forthwith.

(x) 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 immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE / NSE, Mumbai.

16. Members/Proxies are requested to bring their copies of the Annual Report to the meeting.

17. The Company's equity shares are listed with Bombay Stock Exchange limited and the National Stock Exchange of India Ltd.

18. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agents, M/s.GNSA Infotech Ltd. for consolidation into a single folio.

19. For the convenience of members willing to attend the Annual General Meeting, the Company proposes to arrange pick up bus/van from Tambaram and Madhya Kailash (Adyar). The bus/van will be placed opposite to Hindu Mission Hospital, Tambaram and Madhya Kailash Temple, Adyar between 9.00 a.m to 9.45 a.m on 11.09.2018. Members are requested to produce their attendance slip/proxy form for availing this facility. The road maps respectively from Tambaram and Madhya Kailash to the Company's Registered Office are given next to the Attendance Slip.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No.3: Remuneration of Cost Auditors:

The Board of Directors of the Company, on recommendation of Audit Committee, approved the appointment of M/s.S.Mahadevan & Co., Cost Accountants (Regn.No.000007), Chennai as Cost Auditors and the remuneration payable to them, to conduct the Audit of the cost records of the Company for the financial year ending 31st March 2019.

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

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out in Item No.3 of the Notice for approval of the remuneration amounting to Rs.1,75,000/- (Rupees One lakhs and seventy five thousand only) plus applicable taxes, travel and out of pocket expenses to the Cost Auditors for the financial year ending on 31.3.2019.

The Board commends the above resolution for approval of 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.

Item No.4

Mr.K.Ganesan is a Non-Executive Independent Director of the Company and also the Chairman of Audit Committee, Shareholders Grievance Committee and member of the Executive Committee. He joined the

NOTICE TO THE SHAREHOLDERS

Board of Butterfly Gandhimathi Appliances Limited on 30.01.1999. He is a Chartered Accountant and has vast experience and expertise in Auditing, Accounts and advising on Finance of several multinational companies. Mr.K.Ganesan had a long association with the Company and his contribution to the deliberations of the Board has been highly appreciated. Mr.K.Ganesan was appointed as a Non- Executive and Independent Director by the shareholders at the 27th Annual General Meeting held on 31st July 2014 for a consecutive term of five years from 1st August 2014 to 31st July 2019 not liable to retire by rotation. Mr.K.Ganesan is aged more than 75 years and hence his continuance as Directorship as a Non-Executive Independent Director with effect from April 1, 2019 till the conclusion of his present tenure i.e., 31st July 2019 requires approval of the Members by way of Special Resolution, pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations 2015 introduced by a Notification dated 9th May 2018.

The Board recommends the proposal set forth in the Notice Item No.4 of the Notice for consideration and approval of the shareholders.

MEMORANDUM OF INTEREST

Except Mr.K.Ganesan none of the Directors or key managerial personnel or their relatives is concerned or interest in this resolution.

Additional Information on directors recommended for appointment/ re-appointment as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015:

Name of the Director	V.M. Gangadharam
Date of Birth	18.01.1955
Date of Appointment	01.10.1994
Expertise in specific Functional area	Promoter-Entrepreneur 'Hands-on' experience of over four decades in all key areas of the home appliances industry.
Qualification	Matriculation
List of Outside Directorship held	LLM Appliances Pvt.Ltd. V.M. Chettiar & Sons India LLP Butterfly Quality Centre Pvt.Ltd.
Chairman/Member of the Board of Directors of the Company	Member of the Board holding the position of Executive Director
Chairman/Member of the Committees of Directors of other Companies in which he is a Director a. Audit Committee b. Nomination & Remuneration Committee c. Stakeholders' Grievance Committee	Nil
Shareholding if any, in the Company	494083 (2.76%)
Relationship between Director, inter-se	Messrs. V.M. Lakshminarayanan. Chairman & Managing Director, V.M. Balasubramaniam, Vice Chairman & Managing Director, V.M. Seshadri, Managing Director and V.M. Kumaresan, Executive Director-Technical of the Company, being relative of Mr.V.M. Gangadharam, Executive Director, who are deemed to be interested in this Resolution

Navalur – 600 130
Date: 07.07.2018

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

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

Your Directors have pleasure in presenting this Thirty First Annual Report together with the Audited Statement of Accounts for the financial year ended on 31st March 2018.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March 2018 is summarised below:

(Rs. in lakhs)

	Financial Year ended on 31.03.2018	Financial Year ended on 31.03.2017
Revenue from Operations (Gross)	54931.07	44987.18
Less: Excise Duty	875.45	4501.26
Revenue from Operations (Net)	54055.62	40485.92
Other Income	160.52	173.67
Operating Expenditure	50586.07	42468.63
Operating Profit/(Loss)	3469.55	(1982.71)
Profit/(Loss) before Depreciation and Finance cost	3630.07	(1809.04)
Finance Costs	1808.80	2345.96
Depreciation	1237.78	1161.48
Profit/ (Loss) before Tax	583.49	(5316.48)
IT/Deferred Tax	102.19	(139.58)
Profit/ (Loss) after Tax	481.30	(5176.90)
Other comprehensive income net of tax	23.62	28.14
Total comprehensive income/(Loss) for the year	504.92	(5148.76)

Implementation of Ind AS

The Ministry of Corporate Affairs (MCA) vide its notification dated 14th February 2015 notified the Indian Accounting Standard (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounting) Rules 2014, with a transition date of 1st April 2016. The Ind AS is applied to the Company for the first time for the financial year ended 31st March 2018.

The reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in Note 48 of the Notes on Accounts in the Financial Statement.

2. REVIEW OF OPERATIONS:

The Company registered a turnover of Rs.540.55 crores for the current financial year ended 31st March 2018 as against Rs.404.85 crores in the previous year ended on 31st March 2017. The Company achieved the above turnover through Branded sales like previous year. Your Company implemented Goods and Services Tax (GST) successfully and the benefit will be expected in coming years.

3. DIVIDEND

Considering the liquidity, cash flow position and previous year loss incurred by the Company, the Board of Directors did not recommend any dividend for the financial year under review.

4. DIRECTORS

Mr.V.M.Gangadharam (DIN: 00106466), Director retires by rotation from the Board, pursuant to the provisions of section 152(6) (c) of the Companies Act, 2013 and, being eligible, offers himself for reappointment.

Mr.K.J.Kumar, Independent Director (DIN: 00153606) resigned from the Board on 5.6.2018. Your Directors would like to place on record their appreciation for his contributions during his tenure.

5. MANAGEMENT DISCUSSION AND ANALYSIS

The Directors' comments on Management Discussion and Analysis, which forms a part of this report, are restricted to the areas which are relevant to the current scenario of the Company and outlook.

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

6. CREDIT RATING

The Company is retaining the following CRISIL's credit ratings.

Long Term Rating	CRISIL BBB/Stable
Short Term Rating	CRISIL A3+

7. DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of Section 134(3) of the Act, the Directors hereby confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. 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 and of the Profit of the Company for that period;

c. 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;

d. The directors had prepared the annual accounts on a going concern basis;

e. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. 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 forms part of this report.

9. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on '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.

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.

Particulars of contract or arrangements with related parties referred to in Section 188 (1) in Form AOC-2 has been annexed as **Annexure – I**.

10. 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), which has been exhibited in the Company's website.

11. INTERNAL FINANCIAL CONTROLS

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

12. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under section 149 (7) of the Act that they meet with the criteria of their independence laid down in Section 149 (6).

13. APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

Pursuant to the provisions of Section 178 (3) 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

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director and for evaluating performance of the Directors and Key Management Personnel, which can be viewed at the Company's website www.butterflyindia.com.

14. KEY MANAGERIAL PERSONNEL (KMP)

The following managerial personnel are Key Managerial Personnel (KMP):

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

15. 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's website www.butterflyindia.com.

16. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company has formulated and devised policies regarding qualifications, positive attributes and independence of a Director as also a policy relating to the remuneration for the Directors and Key Management Personnel. The Company's policy in this regard is exhibited in its website www.butterflyindia.com.

17. PERFORMANCE EVALUATION OF DIRECTORS

The Independent Directors of the Company held a separate meeting on 06.04.2018 without the attendance of non-independent Directors and members of management. At the said meeting, they reviewed the performance of non-independent Directors and the Board as a whole, including the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. Similarly, at a meeting of the Board of Directors held on the same day, the Board evaluated the performance of each Independent Directors and the Committees represented by such Independent Directors in accordance with the parameters for such evaluation formulated by the Nomination and Remuneration Committee of the Company.

18. AUDITORS

i. **Statutory Auditors and their Report:**
The Members at the 30th Annual General Meeting of the Company held on 7th September 2017, had appointed M/s. ASA & Associates LLP, Chartered Accountants (Firm Registration No. 009571N/N500006) as the Statutory Auditors of the Company to hold office for a term of five years i.e., from the conclusion of the said Annual General Meeting until the conclusion of 35th Annual General Meeting of the Company to be held in 2022, subject to ratification of their appointment by the shareholders, every year. The Ministry of Corporate Affairs vide its Notification dated 7th May, 2018, has dispensed with the requirement of ratification of Auditors' appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditors' appointment is not included in the Notice of the ensuing Annual General Meeting.

The Auditors' Report to the Shareholders on the financial statements for the year ended 31st March 2018 does not contain any qualification / reservations or adverse comments.

ii. **Cost Auditor and Cost Audit Report:**
The Board has reappointed M/s.S.Mahadevan & Co., Cost Auditors (FRN.000007), No.1, Lakshmi Nivas, K.V.Colony, Third Street, West Mambalam, Chennai

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

– 600 033 for conducting the audit of cost records of the Company for the financial year 2018-19. Their report for financial year 2016-17 was filed on the MCA Portal on 19.09.2017.

iii. **Secretarial Auditor and Secretarial Audit Report:** The Board has appointed M/s.A.K.Jain & Associates, Company Secretaries, [CP No.3550] No.2 (New No.3), Raja Annamalai Road, First Floor, Purasawalkam, Chennai – 600084 to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31.3.2018 is annexed to this report as **Annexure II**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

19. DISCLOSURES

Audit Committee

The Audit Committee comprises Independent Directors, viz., Messrs.K.Ganesan (Chairman), M.Padmanabhan and A.Balasubramanian (Members) all qualified as Chartered Accountants and also V.M.Lakshminarayanan, Chairman & Managing Director of the Company as a Member. All the recommendations made by the Audit Committee were accepted by the Board.

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.

Meetings of the Board

The Board met seven times during the financial year. The meeting details are provided in the Corporate Governance Report forming part of this Board's Report.

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 – III** 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 – IV** of the Directors' Report.

Statement pursuant to Rule 5 (1), (2) & (3) of Companies (Appointment and remuneration) Rules 2014:

Information as per Section 197 (12) of the Companies Act 2013 read with Rules 5 (1), (2) & (3) of Companies (Appointment and Remuneration) Rules 2014 is annexed as **Annexure V.**

Payment of remuneration made to managerial personnel is in conformity with Schedule V Part II Section II (A) to the Companies Act 2013.

Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135(1) of the Act, the Company has constituted a Corporate Social Responsibility Committee, consisting 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

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

of more than one year. The Company regularly spends significant amounts of money on various activities aimed at serving communities around the factories. That our Company was always contributing to CSR activities much before it was even mandated for several years now. However, since the Company did not reach any one of the minimum threshold limits stipulated in Section 135 (1) of the Act, the Company is not liable for CSR expenses for the year under review.

During the financial year ended 31st March 2018, the Committee met three times on 7.4.2017, 15.11.2017 and 8.2.2018.

The CSR committee confirmed that the implementation and monitoring of CSR Policy is in compliances with CSR objectives and Policy of the Company.

Details of CSR Activities are annexed as **Annexure VI.**

Listing with Stock Exchanges

The Company confirms that it has paid the Annual Listing Fee for the year 2018-19 to both National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd., with whom the equity shares of the Company have been listed.

20. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items, as they are not applicable for the financial year under review:

1. Details relating to deposits covered under chapter V of the Act;
2. Details regarding investment/loan/guarantee, attracting the provisions of section 186 of the Act;
3. Issue of equity shares with differential rights as to dividend, voting or otherwise;
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
5. Material orders, if any, passed by the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations in future;
6. Case, if any, filed under the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act 2013.

There are no material changes and commitments, affecting the financial position of the Company which have occurred between financial year ended 31.03.2018 and the date of this report.

21. PERSONNEL

The spirit of trust, transparency and team work 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 to achieve excellence in all areas of the business.

22. ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank, in particular State Bank of India and other Consortium Banks, Fullerton India Credit Company Limited, Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd. and Hindustan Petroleum Corporation Ltd. for the co-operation extended by them. Our thanks are also due to employees at all levels, suppliers, distributors, dealers and customers for their strong support.

Your Directors also thank the shareholders for their continued confidence and trust placed by them with the Company.

Navalur – 600 130
Date - 07.07.2018

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

ANNEXURE – I

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

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 'arms length' transaction under third proviso thereto, for the financial year ended 31.3.2018

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 or place of profit in the Company

S.No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transaction including the value, if any,	Date of approval by the Board /Member at General Meeting	Amount paid as advance, if any,
1	East West Combined Industries – The Proprietor is a relative of Mr.V.M.Seshadri, Managing Director	Purchase of goods Sale of goods	01.04.2017 to 31.03.2018	Aggregate value of Purchase of goods - not exceeding Rs.1000 lakhs Aggregate value of Sale of goods-not exceeding Rs.25 lakhs	7.4.2017	NIL
2	Mrinalini Industries Partners are relatives of Mr.V.M.Gangadharam Executive Director	Purchase of goods Sale of goods	01.04.2017 to 31.03.2018	Aggregate value of Purchase of goods - not exceeding Rs.125 lakhs Aggregate value of Sale of goods - not exceeding Rs.25 lakhs	7.4.2017	NIL
3	Sivagurunathan Industries – Partners are relatives of Messrs. V.M.Lakshminarayanan Chairman & Managing Director, V.M.Seshadri, Managing Director and V.M.Gangadharam, Executive Director	Purchase of goods Sale of goods	01.04.2017 to 31.03.2018	Aggregate value of Purchase of goods - not exceeding Rs.200 lakhs. Aggregate value of Sale of goods - not exceeding Rs.125 lakhs	7.4.2017 & 7.11.2017	NIL
4	LLM Appliances Private Limited – Directors Messrs.V.M. Balasubramaniam, V.M.Ganga-dharam and V.M.Kumaresan who are the Promoter-Directors of the Company.	Purchase of goods Sale of goods	01.04.2017 to 31.03.2018	Aggregate value of Purchase of goods-not exceeding Rs. 400 lakhs. Aggregate value of Sale of goods - not exceeding Rs.200 lakhs	7.4.2017	NIL

ANNEXURE – I

S.No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transaction including the value, if any,	Date of approval by the Board /Member at General Meeting	Amount paid as advance, if any,
5	Bean and Leaf Beverages Private Limited – Directors are relatives of Messrs. V.M.Lakshminarayanan Chairman & Managing Director, V.M.Balasubramaniam, Vice Chairman & Managing Director and V.M. Kumaresan, Executive Director-Technical	Beverage vending services Sale of goods	01.04.2017 to 31.03.2018	Aggregate value not exceeding the charges of other vendors for similar service - Rs.20 lakhs. Aggregate value of Sale of goods - not exceeding Rs.5 lakhs	7.4.2017	NIL
6	Chrysalis Home Needs Private Limited – Directors are relatives of Messrs.V.M. Lakshminarayanan, Chairman & Managing Director and V.M. Seshadri, Managing Director	Sale of goods	01.04.2017 to 31.03.2018	Aggregate value of Sale of goods - not exceeding Rs.20 lakhs	7.4.2017	NIL
7	H&S Supply Chain Services Pvt. Ltd – Directors are relatives of Mr.V.M.Seshadri, Managing Director	Providing 3PL Logistic services. Sale of goods	01.04.2017 to 31.03.2018	Aggregate value for the services rendered - not exceeding Rs.2000 lakhs Aggregate value of Sale of goods - not exceeding Rs.10 lakhs	7.4.2017 & 7.11.2017	NIL
8	Butterfly Industrial Designs Private Limited – Directors are relatives of Messrs. V.M.Balasubramaniam, Vice Chairman & Managing Director and V.M.Kumaresan, Executive Director – Technical.	Supply and Services Receipt of rental Sale of goods	01.04.2017 to 31.03.2018	Aggregate value of the Supply and Services - not exceeding Rs.35 lakhs. At the prevailing rental charges in Rajiv Gandhi Salai – not exceeding Rs.6 lakhs Sale of goods - not exceeding Rs.10 Lakhs	7.4.2017	NIL
9	Wintronix (HK) Holding Limited – Mr.V.M.Balasubramaniam, Managing Director holding 60% of the Company's Share Capital	Purchase of goods	01.04.2017 to 31.03.2018	Aggregate value of Purchase of goods - not exceeding Rs.500 lakhs.	7.4.2017	NIL
10	Swaminathan Enterprises Private Limited – Directors are relatives of Messrs.V.M. Lakshminarayanan, Chairman & Managing Director and V.M. Seshadri, Managing Director	Purchase of goods Sale of goods	01.04.2017 to 31.03.2018	Aggregate value of Purchase of goods - not exceeding Rs.100 lakhs Sale of goods - not exceeding Rs.110 Lakhs	7.4.2017 & 7.11.2017	NIL

ANNEXURE – I

S.No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transaction including the value, if any,	Date of approval by the Board /Member at General Meeting	Amount paid as advance, if any,
11	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 and Perquisites not exceeding Rs.29,95,200/- p.a.	26.7.2013 (special resolution at AGM)	NIL
12	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 and Perquisites not exceeding Rs.29,08,800/- p.a.	26.7.2013 (special resolution at AGM)	NIL
13	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 and Perquisites not exceeding Rs.29,08,800/- p.a.	26.7.2013 (special resolution at AGM)	NIL
14	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 and Perquisites not exceeding Rs.28,22,400/- p.a.	26.7.2013 (special resolution at AGM)	NIL
15	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 and Perquisites not exceeding Rs.27,64,800/- p.a.	26.7.2013 (special resolution at AGM)	NIL

Place : Navalur - 600 130
Date : 07.07.2018

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

ANNEXURE – II

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[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,
Butterfly Gandhimathi Appliances Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Butterfly Gandhimathi Appliances Limited (CIN:L28931TN1986PLC012728) (hereinafter called the "Company"). 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, 2018, 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 March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the "Act") and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(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) Regulations, 2015.

We report that, the following were not applicable to the Company during the audit period:-

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: and

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998,

ANNEXURE – II

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

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

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

We have also examined the applicable clauses of the following:

(i) Listing Agreement entered into by the Company with BSE Limted & National Stock Exchange of India Ltd.

(ii) Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI).

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

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.

Sd/-

Place : Chennai
Date : 28.05.2018

for A.K.Jain & Associates
Company Secretaries

(Balu Sridhar)
Partner
FCS No.5869
C.P.No.3550

ANNEXURE – III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

[Pursuant to Section134 (3)(m) of the Companies Act 2013 read with Rule 8 of Companies (Accounts) Rules 2014]

[A] Conservation of Energy:

The Company has carried out the following activities during the financial year 2017-18, for energy conservation:

1. Installed Harmonic Filter in the electrical circuit thereby reducing energy losses.
2. Conventional electric brakes removed, and new pneumatic brakes introduced for power saving.
3. Metal hallite lamps, Fluorescent lamps replaced with LED lamps.
4. Introduce MCBs, ELCBs, MCCBs, RCCBs replacing conventional fuse links, thus reducing energy loss and enhancing safety.
5. Motor capacity reducing for smaller capacity forming process in hydraulic press machines.
6. Motion sensor placing for cabin lighting, in order to avoid lighting in absence of man power,
7. Providing VFD drives for Induction motors and saving energy
8. 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 reduction in labour cost.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) The details of technology imported - No technology has been imported.

(b) The year of import – Not Applicable

(c) Whether the technology been fully absorbed - Not Applicable

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable

(iv) the expenditure incurred on Research and Development:

S.No	Particulars	(Rs. in lakhs)
(a)	Capital	92.19
(b)	Revenue	8.29
Total		**100.48**

[C] Foreign Exchange earnings and outgo:

Foreign Exchange earnings : Rs. 1,202.64 lakhs

Foreign Exchange outgo : Rs.10,169.79 lakhs

Place : Navalur – 600 130
Date : 07.07.2018

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

ANNEXURE – IV

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018.

[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, Kancheepuram District, Tamil Nadu Contact No. 044-49005154
vi) Whether Listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	**GNSA INFOTECH LTD,** STA DEPARTMENT, #115, F-Block, Nelson Chambers, Nelson Manickam Road, Aminthakarai, Chennai - 600 029 Contact No.044-42962025

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl.No	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	LPG Stove	27504	36.00
2	Mixer Grinder	27501	23.08
3	Table Top Wet Grinder	27501	11.77
4	Pressure Cooker	27504	12.55

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
	NONE				

ANNEXURE – IV

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) AS ON 31.03.2018

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	5092113	--	5092113	28.48	5092107	--	5092107	28.48	--
(b)	Central Govt.	--	--	--	--	--	--	--	--	--
(c)	State Govt(s).	--	--	--	--	--	--	--	--	--
(d)	Bodies Corporate	6553665	--	6553665	36.65	6553665	--	6553665	36.65	--
(e)	Banks / FI	--	--	--	--	--	--	--	--	--
(f)	Any other	--	--	--	--	--	--	--	--	--
	Sub-Total (A)(1)	**11645778**	**--**	**11645778**	**65.13**	**11645772**	**--**	**11645772**	**65.13**	**--**
(2)	**Foreign**									
(a)	NRIs – Individuals	--	--	--	--	--	--	--	--	--
(b)	Other – Individuals	--	--	--	--	--	--	--	--	--
(c)	Bodies Corporate	--	--	--	--	--	--	--	--	--
(d)	Banks / FI	--	--	--	--	--	--	--	--	--
(e)	Any other	--	--	--	--	--	--	--	--	--
	Sub-total (A)(2)	--	**--**	--	--	--	**--**	--	--	--
	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	11645778	--	11645778	65.13	11645772	--	11645772	65.13	--
B.	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	615	5	620	--	770019	30	770049	4.31	4.30
(b)	Banks / FI	6504	2025	8529	0.05	--	2000	2000	0.01	-0.04
(c)	Central Govt.	--	--	--	--	--	--	--	--	--
(d)	State Govt(s).	--	--	--	--	--	--	--	--	--
(e)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
(f)	Insurance Companies	--	--	--	--	--	--	--	--	--
(g)	FIIs	--	--	--	--	--	--	--	--	--
(h)	Foreign Portfolio Investor	--	--	--	--	81352	--	81352	0.46	0.46
(i)	Any other: Alternate Investment Fund	2451000	--	2451000	13.71	1382835	--	1382835	7.73	(5.97)
	Sub-Total (B)(1)	**2458119**	**2030**	**2460149**	**13.76**	**2234206**	**2030**	**2236236**	**12.51**	**(1.25)**

ANNEXURE – IV

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	
(2)	**Non-Institutions**									
(a)	Bodies Corporate	968098	3254	971352	5.43	334454	3254	337708	1.89	-3.54
(i)	Indian	--	--	--	--	--	--	--	--	--
(ii)	Overseas	--	--	--	--	--	--	--	--	--
(b)	Individuals	--	--	--	--	--	--	--	--	--
(i)	Individual Shareholders holding Nominal Share Capital up to Rs.1 lakh	1532355	795880	2328235	13.02	1595844	764719	2458648	13.75	0.73
(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 lakh	354651	--	354651	1.98	1120506	--	1120506	5.72	3.73
(c)	Others (specify)	--	--	--	--	--	--	--	--	--
(i)	Non Resident Indians	117083	2303	119386	0.67	125456	2303	127759	0.71	0.05
(ii)	Clearing Members	--	--	--	--	51007	--	51007	0.29	0.29
	Sub-Total (B)(2)	2972187	801437	3773624	21.11	3227267	770276	3997543	22.36	1.25
	Total Public Shareholding (B) = (B)(1) + (B)(2)	5430306	803467	6233773	34.87	5461473	772306	6233779	34.87	--
C	**Shares held by Custodian for GDRs & ADRs**									
	Grand Total (A+B+C)	**17076084**	**803467**	**17879551**	**100.00**	**17107245**	**772306**	**17879551**	**100.00**	**--**

ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1	V. M. Seshadri	1251673	7.00	--	1251673	7.00	--	--
2	V. M. Lakshminarayanan	1000965	5.60	--	1000965	5.60	--	--
3	V. M. Balasubramaniam	570130	3.19	--	570130	3.19	--	--
4	V. M. Gangadharam	494083	2.76	--	494083	2.76	--	--
5	V. M. Kumaresan	487804	2.73	--	487804	2.73	--	--
6	V. M. K. Mangalam	218947	1.22	--	218947	1.22	--	--
7	V. M. B. Unnamalai	217750	1.22	--	217750	1.22	--	--

ANNEXURE – IV

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	
8	V. M. L. Shenbagalakshmi	217750	1.22	--	217750	1.22	--	--
9	V. M. G. Sivakami	217750	1.22	--	217750	1.22	--	--
10	V. M. S. Karpagam	217750	1.22	--	217750	1.22	--	--
11	V. M. L. Karthikeyan	76700	0.43	--	76700	0.43	--	--
12	Gandhimathi A	64500	0.36	64500	64500	0.36	64500	--
13	V. M. S. Namasivayam	16495	0.09	--	16495	0.09	--	--
14	Gangadharam Viswanathan	16100	0.09	--	16100	0.09	--	--
15	V M L Senthilnathan	11055	0.06	--	11055	0.06	--	--
16	V M L Karthikeyan	6000	0.03	--	6000	0.03	--	--
17	V M G Mayuresan	3311	0.01	--	3311	0.19	--	--
18	V M S Kumaraguru	3350	0.01	--	3344	0.19	--	--
19	LLM Appliances Private Limited	3046565	17.04	--	3046565	17.04	--	--
20	V M Chettiar & Sons India LLP	3507100	19.62	--	3507100	19.62	--	--
	Total	**11645778**	**65.13**	**--**	**11645772**	**65.13**	**64500**	**--**

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	11645778	65.13	11645778	65.13
1	Sold - 09/06/2017 (V M S Kumaraguru)	6	--	11645772	65.13
	Total at the end of the year	**11645778**	**65.13**	**11645772**	**65.13**

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 (1.4.17 to 31.3.18)	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Reliance Alternative Investments Fund - Private Equity Scheme - I	2451000	13.71	01-Dec-17	300000	sold - Demat	2151000	12.03
				08-Dec-17	300000	sold - Demat	1851000	10.35
				15-Dec-17	300000	bought-Demat	2151000	12.03
				22-Dec-17	200000	sold - Demat	1951000	10.91
				12-Jan-18	1000000	sold - Demat	951000	5.32
				26-Jan-18	100000	bought-Demat	1051000	5.88
				16-Mar-18	200000	sold - Demat	851000	4.76
				23-Mar-18	150000	bought-Demat	1001000	5.60
2	Sushmita Ashish Kacholia .	--	--	30-Mar-18	460000	bought-Demat	460000	2.57
3	Sundaram Mutual Fund A/C Sundaram Smile Fund	--	--	01-Dec-17	3831	bought-Demat	3831	0.02
				08-Dec-17	401346	bought-Demat	405177	2.27
				09-Feb-18	100000	sold - Demat	340000	1.90
4	Idfc Sterling Equity Fund	--	--	19-Jan-18	300000	bought-Demat	300000	1.68
5	Sundaram Alternative Opportunities Fund - Nano Cap Series I	--	--	19-Jan-18	134846	bought-Demat	134846	0.75
				26-Jan-18	15000	bought-Demat	149846	0.84
				09-Feb-18	74000	bought-Demat	223846	1.25
				02-Mar-18	4667	bought-Demat	228513	1.28
				09-Mar-18	7217	bought-Demat	235730	1.32
				16-Mar-18	8645	bought-Demat	244375	1.37
				23-Mar-18	38000	bought-Demat	282375	1.58
				30-Mar-18	3460	bought-Demat	285835	1.60

ANNEXURE – IV

6	Dolly Khanna	--	--	22-Sep-17	4835	bought-Demat	4835	0.03
				13-Oct-17	2985	bought-Demat	7820	0.04
				20-Oct-17	8850	bought-Demat	16670	0.09
				27-Oct-17	44766	bought-Demat	61436	0.34
				03-Nov-17	11934	bought-Demat	73370	0.41
				10-Nov-17	6935	bought-Demat	80305	0.45
				17-Nov-17	4433	bought-Demat	84738	0.47
				24-Nov-17	10000	bought-Demat	94738	0.53
				01-Dec-17	24290	bought-Demat	119028	0.67
				08-Dec-17	75900	bought-Demat	194928	1.09
				15-Dec-17	23000	bought-Demat	217928	1.22
				29-Dec-17	8000	bought-Demat	225928	1.26
				12-Jan-18	12500	bought-Demat	238428	1.33
				19-Jan-18	14987	bought-Demat	253415	1.42
7	Idfc Balanced Fund	--	--	19-Jan-18	100000	bought-Demat	100000	0.56
8	Sundaram Alternative Opportunities Fund - Nano Cap Series ii	--	--	19-Jan-18	45000	bought-Demat	45000	0.25
				09-Feb-18	26000	bought-Demat	71000	0.40
				09-Mar-18	5999	bought-Demat	76999	0.43
				16-Mar-18	4001	bought-Demat	81000	0.45
				23-Mar-18	12000	bought-Demat	93000	0.52
				30-Mar-18	3000	bought-Demat	96000	0.54
9	Snehal Bhupendra Shah	--	--	27-Oct-17	34000	bought-Demat	34000	0.19
				01-Dec-17	7000	bought-Demat	41000	0.23
				08-Dec-17	5000	bought-Demat	46000	0.26
				22-Dec-17	3000	bought-Demat	49000	0.27
10	Bhupendra Shah	--	--	10-Nov-17	20000	bought-Demat	20000	0.11
				17-Nov-17	27979	bought-Demat	47979	0.27
				24-Nov-17	9979	bought-Demat	38000	0.21
				01-Dec-17	9999	bought-Demat	47999	0.27
				08-Dec-17	1	bought-Demat	48000	0.27

ANNEXURE – IV

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

Sl. No.	For Each of the Directors and KMP	Shareholders at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	V. M. Seshadri	1251673	7.00	1251673	7.00
2	V. M. Lakshminarayanan	1000965	5.60	1000965	5.60
3	V. M. Balasubramaniam	570130	3.19	570130	3.19
4	V. M. Gangadharam	494083	2.76	494083	2.76
5	V. M. Kumaresan	487804	2.73	487804	2.73
6	Prakash Iyer CEO	-	-	-	-
7	K.S.Ramakrishnan CS	-	-	-	-
8	R.Nagarajan CFO	-	-	-	-

Details of Shareholders holding more than 5% shares in the Company:

Sl. No.	Name of the shareholder	31st March 2017		31st March 2018	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	V. M. Lakshminarayanan	1000965	5.60	1000965	5.60
2	V. M. Seshadri	1251673	7.00	1251673	7.00
3	LLM Appliances Private Limited	3046565	17.04	3046565	17.04
4	V M Chettiar & Sons India LLP	3507100	19.62	3507100	19.62
5	Reliance Alternative Investments Fund – Private Equity Scheme -I	2451000	13.71	1001000	5.60

(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:				
(i) Principal Amount	12312.02	3522.33	–	15834.35
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	89.06	22.07	–	111.13
Total (i)+(ii)+(iii)	**12401.08**	**3544.40**	–	**15945.48**
Change in Indebtedness during the financial year:				
Addition	4725.38	1849.59	–	6574.97

ANNEXURE – IV

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Reduction	1409.86	176.91	–	1586.77
Net Change	3315.52	1672.68	–	4988.20
Indebtedness at the end of the financial year				
(i) Principal Amount	15627.05	5183.01	–	20810.06
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	89.55	34.07	–	123.62
Total (i)+(ii)+(iii)	**15716.60**	**5217.08**	–	**20933.68**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rs. In lakhs

SN	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		V.M. Lakshminarayanan CMD	V.M. Balasubramaniam VCMD	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	36.00	35.40	34.80	33.60	33.60	173.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7.20	7.08	6.96	6.72	6.72	34.68
	(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	4.32	4.25	4.18	4.03	4.03	20.81
	Total (A)	**47.52**	**46.73**	**45.94**	**44.35**	**44.35**	**228.89**
	Ceiling as per the Act *	NA	NA	NA	NA	NA	NA

* NOTE: The remuneration paid to MDs/Wholetime Directors named above are the minimum remuneration payable to them in the event of inadequacy of profits in any financial year during the currency of their tenure, as approved by the members through Special Resolutions, pursuant to the provisions of Schedule V Part II, Section 2(A) to the Companies Act 2013.

ANNEXURE – V

B. Remuneration to other Directors

Rs. In lakhs

S.No.	Name of Directors	Fee for attending Board/ Committee Meetings	Commission	Others	Total
1	K.Ganesan (Independent Director)	420000	-	-	420000
2	M.Padmanabhan (Independent Director)	360000	-	-	360000
3	A.Balasubramanian (Independent Director)	285000	-	-	285000
4	K.J.Kumar (Independent Director)	15000	-	-	15000
5	G.S.Samuel (Independent Director)	150000	-	-	150000
6	T.R.Srinivasan (Independent Director)	120000	-	-	120000
7	Mrs.Maheshwari Mohan (Woman Independent Director)	105000	-	-	105000
	Total	1455000			1455000

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

Rs. In lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr.Prakash Iyer, CEO	Mr.K.S.Ramakrishnan, CS	Mr.R.Nagarajan, CFO	
(1)	**Gross Salary**				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	192.78	24.56	21.38	238.72
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	7.42	1.73	0.94	10.09
(c)	Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961	-	-	-	-
(2)	**Stock Option**	-	-	-	-
(3)	**Sweat Equity**	-	-	-	-
(4)	**Commission**	-	-	-	-
	As % of Profit	-	-	-	-
	Others, specify	-	-	-	-
(5)	**Others, please specify**	-	-	-	-
	Total	**200.20**	**26.29**	**22.32**	**248.81**

vii) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no Penalties/Punishment/Compounding of offences against the Company, Directors and other officers in default for the year ended 31st March 2018.

ANNEXURE – V

Disclosure pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

1. Ratio of the remuneration to each Director to the median remuneration of the employees of the Company for the financial year ended on 31.3.2018:

Name of Director	Ratio of remuneration to the median remuneration of the Company's employees
Mr.V.M.Lakshminarayanan	20.10
Mr.V.M.Balasubramaniam	19.77
Mr.V.M.Seshadri	19.43
Mr.V.M.Gangadharam	18.76
Mr.V.M.Kumaresan	18.76

2. Percentage increase in remuneration of each Director, in the financial year ended on 31.3.2018:

   There was no increase in remuneration of any one of the above named in the financial year ended on 31.3.2018.

3. Percentage increase in the median remuneration of employees in the financial year ended on 31.3.2018:

   There was an increase of 15.81% in the median remuneration of employees in the financial year ended on 31.3.2018.

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

   There were 1190 permanent employees on the rolls of Company as on 31.3.2018.

5. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:

   Increase in remuneration – 14.07%

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 : Navalur – 600 130
Date : 07.07.2018

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(2) of the Companies Act, 2013

S. No.	Name /(Age)	Designation of the Employees	Remuneration (Rs.)	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	Prakash Iyer (50)	Chief Executive Officer	Rs.2,00,20,474	Full Time	M.Com, Chartered Accountant and Cost & Works Accountant (26 years)	August 11, 2016	Fair Winds Private Equity (previously known as Reliance Private Equity)	Nil	No

Statement pursuant to section 197 (12) read with Chapter XIII Rule 5(3) of the Companies Act, 2013

Particulars of top ten employees employed in terms of remuneration drawn

S. No.	Name /(Age)	Designation of the Employees	Remuneration (Rs.)	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 (70)	Chairman & Managing Director	47,52,000	Full Time	Matriculation(52)	01.12.2011	Managing Director of Gangadharam Appliances Ltd	5.60	Brother of Messrs. V.M.Balasubramaniam V.M.Seshadri V.M.Gangadharam and V.M.Kumaresan
2	V.M.Balasubramaniam (68)	Vice Chairman & Managing Director	46,72,800	Full Time	Matriculation(50)	01.08.2014	Executive Director of Gangadharam Appliances Ltd	3.19	Brother of Messrs. V.M.Lakshminarayanan V.M.Seshadri V.M.Gangadharam and V.M.Kumaresan
3	V.M.Seshadri (66)	Managing Director	45,93,600	Full Time	Matriculation(48)	01.06.2011	Executive Director of Gangadharam Appliances Ltd	7.00	Brother of Messrs. V.M.Lakshminarayanan V.M.Balasubramaniam V.M.Gangadharam and V.M.Kumaresan
4	V.M.Gangadharam (63)	Executive Director	44,35,200	Full Time	Matriculation(45)	01.10.1994	Executive Vice President – Production of Gangadharam Appliances Ltd	2.76	Brother of Messrs. V.M.Lakshminarayanan V.M.Balasubramaniam V.M.Seshadri and V.M.Kumaresan
5	V.M.Kumaresan (55)	Executive Director -Technical	44,35,200	Full Time	Matriculation(37)	01.06.2007	Director of Butterfly Electrical & Electronics Pvt. Ltd	2.73	Brother of Messrs. V.M.Lakshminarayanan V.M.Balasubramaniam V.M.Seshadri and V.M.Gangadharam

S. No.	Name /(Age)	Designation of the Employees	Remuneration (Rs.)	Nature of Employment	Qualification (Experience)	Date of Commencement employment	Previous Employment	% of shares held by the employee	Relative of a Director / Manager or not
6	Karthikeyan V.M.L. (44)	Sr. Vice President - Marketing	29,95,200	Full Time	B.E.(Mechanical)	01.06.2007	Nil	0.46	Son of Mr.V.M.Lakshminarayanan
7	Viswanathan G. (40)	Sr. Vice President - Materials Management	29,08,800	Full Time	B.E.(Mechanical), MEP at IIMA	01.10. 2001	Nil	0.09	Son of Mr.V.M.Gangadharam
8	Senthilnathan V.M.L. (40)	Sr. Vice President - R&D	29,08,800	Full Time	Matriculation	01.04.1999	Nil	0.06	Son of Mr.V.M.Lakshminarayanan
9	Ganesan V.M.L. (38)	Vice President - Finance	28,22,400	Full Time	B.A. (Corporate Secretaryship)	01.06.2009	Nil	Nil	Son of Mr.V.M.Lakshminarayanan
10	Mayuresan V.M.G. (33)	Vice President – Corporate Strategy	27,64,800	Full Time	B.E (ECE) & MBA	01.06.2013	Nil	Nil	Son of Mr.V.M.Gangadharam

Place : Navalur – 600 130
Date : 07.07.2018

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

ANNEXURE – VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs:

CSR PHILOSOPHY AND POLICY:

The Company was always contributing to CSR activities much before it was even mandated under the Companies Act 2013. The activities or projects that will be undertaken by the Company shall include one or more of the activities specified in CSR Policy as may be recommended by the CSR Committee and approved by the Board of Directors. The CSR Policy of the Company is available in our website under the following link:http://www.butterflyindia.com.

2. The Composition of the CSR Committee:

Name	Position
Mr.T.R.Srinivasan	Chairman
Mr.V.M.Lakshminarayanan	Member
Mr.G.S.Samuel	Member

3. Average Net Profit(Loss) of the Company for the last three financial years: Loss Rs.(1107.09) lakhs.

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

5. Details of CSR spent during the financial year:

a) Total amount spent during the year Rs.30.19 lakhs

b) Amount unspent : Rs.18.37 lakhs

c) Manner in which amount spent during the financial year is detailed below.

S. No.	CSR Activity Identified	Sector covered	Place of activity	Amount outlay (Rs.)	Amount spent (Rs.)	Direct or Agency
1	Education	Education facility infrastructure	Pudupakkam and Chengalpattu District	10,00,000	5,43,000	Direct
2	Environmental protection/ Planting Trees and maintenance	Environmental	Pudupakkam and Chengalpattu District	6,00,000	2,21,382	Direct
3	Namma Toilet Project	Environmental	Pudupakkam and Chengalpattu District	17,00,000	19,91,041	Direct
4	R.O.Project		Puudpakkam Adi Dravidar School	1,75,000	2,63,140	Direct

Company has spent towards Rs.30.19 lakhs towards education, environmental protection, Namma Toilet and R.O.Project.

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

The Company has not reached the threshold limits stipulated in Section 135(1) of the Act till 2015 and the amount has been allocated only in 2016. As it is an on-going process, the unspent CSR fund to be spread over in a phased manner in the coming years. The balance of Rs.18.37 lakhs on the amount allocated for CSR on 2016, the Company has initiated CSR projects in the areas of education, drinking water facility and tree sappling in and around Pudupakkam where the factory is situated and sanitation to Thiruporur Government High School and will be implementing the same in the coming financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company:

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place : Navalur
Date : 07.07.2018

for and on behalf of the Board of Directors

V.M.Lakshminarayanan
Chairman & Managing Director

T.R.Srinivasan
Chairman-CSR Committee

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global Outlook:

Global economy is experiencing a broad-based cyclical upturn, which is expected to be sustained over the next couple of years, although with downside risks. In contrast, growth is potential output (full-employment output) is flagging, languishing below its long term and pre-crisis average both globally and among emerging market and developing economies. A broad based cyclical global recovery is underway, aided by a rebound in investment and trade, against the backdrop of benign financing conditions, generally accommodative policies, improved confidence, and the dissipating impact of the earlier commodity price collapse.

The upswing in global investment and trade continued in second half of 2017. With the financial conditions still supportive global growth is expected to tick up to a 3.9 percent rate in both 2018 and 2019. Advanced economies will grow faster than potential this year and next. Euro area economics are set to narrow excess capacity with support from accommodation monetary policy and expansionary fiscal policy will drive the US economy above full employment. Aggregate growth in emerging market and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and modest upswing in commodity exporters after three years of weak performance (source – World Economic Outlook – 2018).

India and its growth performance:

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

The Goods and Service Tax (GST) the tax reforms were introduced with effect from July 2017 as India moved to 'One nation-one Tax' help the networth raise in the field of indirect taxes reform in India and simplifying structure and business transactions and driving long term economic growth. The Government's focus on structural reforms in the areas of agriculture, energy, infrastructure, telecommunications, Health and the financial sector are seen as strong growth drivers catapulting India amongst the fasters growing economics in the near future. Besides, the Government has also come up with Digital India initiative such as creation of digital infrastructure delivering services digitally and increase the digital literacy. The economy recovered in the 2nd half post GST regimes. Gross domestic product growth rate in Financial year was 6.7%. Further the adverse effect of demonetisation also overcome and consumer also coming to the normal parlance. All the above steps lead to substantial confidence on the strength of Indian economy.

Outlook - Growth in Kitchen Appliances Sector and Company's prospective:

The Kitchen appliances market grew a healthy double-digit rate over the last decade, driven by various factors such as increasing number of household, growing working community, expending digital as well as retail industry and middle-class population. The Kitchen appliances industry has traditionally been skewed towards unorganised players while a handful of organised players have dominated major regions and key urban market.

Your Company operates in the domestic kitchen appliances segment with a wide range of products such as LPG Stoves, Mixer Grinders, Table Top Wet Grinders, Pressure Cookers, Cookwares and Domestic electrical appliances.

Prime Minister Ujjwala Yojana Scheme (PMUY Scheme), the Government of India continued the support in the wake of huge response to PMUY from the women particularly in rural areas and to cover such households not having LPG connection. The Scheme continued this financial year 2018-19 with expansion of additional allocation of fund by the Government. Your Company was an enthusiastic participant in this Scheme.

Apart from the above, Institutional Sales also continued with Oil Companies (such as Indian Oil, BPCL, HPCL, etc.) in developing gas stoves (especially for the marginalised section) that were more fuel efficient. The Company has also introduced Hobs as a new product category.

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company relaunched Stainless Steel Vacuum Flasks which was first launched in India by Butterfly Group in the year 1989.

The GST implemented with effect from 1st July 2017. In the first quarter, the entire trade went into a destocking mode due to uncertainty in GST rates and its date of implementation and purported to losses occurring in trade on account of change in rates and in rules claimed credit for duty paid. However, there was a strong uptick in growth in the subsequent quarters.

The turnaround plan was successfully implemented, and losses area successfully wiped out and earned profit in this year 2017-18. For financial year 2018-19, Company is targeting to achieve top line growth and hopes to achieve good growth in coming years. The Company has implemented in successfully for monitoring Secondary Sales and e-enablement of sales through Channel Connect for secondary sales monitoring and Power BI for business intelligence.

SWOT ANALYSIS

Strengths

Butterfly products are a bench mark for quality in the kitchen appliances segment and the trust it enjoys amongst its customer base. The quality, safety and reliability of the products and the continuing customer satisfaction over the last three decades have enabled "Butterfly" brand of kitchen appliances to become a household name. The Company having inhouse manufacturing facility equipped with latest technology and separate die making tools that allow it to increase the efficiency of the manufacturing procedure and enable a high degree quality control. The product manufactured by the Company are day to day utility product and enjoy wide application.

The management team comprises promoters with 'hands on' experience for four decades and senior professionals who possess vast experience in the kitchen appliances industry. A mix of promoters' family and the professionals in the leadership team provides the best of both worlds. Family representation offers a strong sense of dedication and direction for ensuring continued success while professionals offer functional expertise and ensure adoption of best business practices in corporate governance. The Company has built extensive Pan India distribution network reaching to about 22000 retail points across India. The Company has over 550 distributors across Indian map and developed the entire range of Butterfly Gandhimathi Appliances Ltd products under one roof. Further, addressing the technological shift in the market, the Company has also undertaken initiative towards building a strong foundation in modern trade, retain and e-commerce formats. Further the Company has tied-up for supply with Central Police Canteen Stores (CPC) and Tamil Nadu Police Canteen Stores (TNPC). The Company continues addressing the post sales and services requirements of the consumers. It has taken steps to provide single window redressal of consumer complaints through a call service and recording service history through a newly implemented Customer Relationship Management (CRM).

All these steps continued with the combined experience of the promoters and management forms the key strengths of the Company thus laying a strong foundation for sustained growth into the future.

Weakness

The Company enjoys a high market share in the South India region for the financial year 2017-18 around 86% of revenues came from these markets. The Company continues its efforts in consolidating its presence outside South India by promoting its brand strengths and investing in building a strong performance-oriented execution team. As mentioned earlier, the Company has developed a strategy and now implementing its measure to leverage its retail reach strengths in building a strong presence in the digital world (e-commerce/on-line), exports, modern trade amongst others. The steps will significantly inter-se channel revenue contribution balance with their new channels contributing at a much faster rate to the Company's revenue growth. At the same time compared to traditional sales the margin will be lower and we have to establish our own channel relationship. This will have a positive effect on the fiscal management by rationalising, stock holding and collecting being evenly spread through the years.

MANAGEMENT DISCUSSION AND ANALYSIS

Opportunities

The Company has made significant efforts in investing in markets of South India as well as strengthen the profit centres of North India. While it has spent significantly in this expansion, the positive benefits of these efforts will be felt in future with Butterfly as a brand reaching its consumers, all India and thus building a strong base for sustainable growth in future.

The advent of 0% finance schemes, credit cards and cash back schemes has changed the perception of consumers and the products that were once considered high-end and expensive are now considered to be accessible due to affordable monthly instalment payments.

Business opportunities like online sales and Customer Relationship Management [CRM] will lead the good performance as well as consumer satisfaction.

Urban markets account for over 65% of the total revenues in the Consumer Durables sector in India. Urban customers are now considering appliances as lifestyle products and are open to pay increased prices for products that are ergonomically designed and offer multiple features. Positive trends in demographics have further helped to enhance growth. Factors such as the increasing number of nuclear families have led to a rise in the volumes of appliances sold.

Threats

The industry is highly fragmented in the hands of several organized and unorganized players. Due to the attractiveness of the opportunity and large potential, competition across the Kitchen appliances industry in India is rising significantly. International companies that foray into the kitchen appliances space through mergers, acquisitions and joint ventures, have further intensified the competition in this space.

Several competitors who are attracted to the growth and returns offered by this industry have emerged. These companies have short term agendas and are sourcing lower value/substandard quality products from China and participating in the Indian markets through unsustainable practices. This can cause temporary distortions in prices and demand, especially to long-term players who are focused on quality.

Inflation rates in India, despite various control measures, have still been higher than the desired level and acted as deterrent in boosting the consumption particularly in rural area. There is also uncertainty and pressure on other costs such as transportation, supplies, raw material costs and other expenses.

Company Overview

Your Company is a leading manufacturer of Domestic Kitchen and Electrical Appliances in India established in 1986. The Company is ranked amongst the top five manufacturers in the domestic kitchen appliances sector.

Headquartered in Tamil Nadu, the Company is a multi-product Company with state-of-the-art-manufacturing units, strong R&D and international industrial design facilities, mainly manufacturing LPG Stoves, Mixer Grinders, Table Top Wet Grinders and Pressure Cookers amongst others. Contribution from the new product categories added to its portfolio through business acquisition will enhance its revenue/profits from operation.

Manufactured at our state of the art R&D facilities, with in-house design ability and advanced die-making tools, BGMAL products are recognized for their quality, safety and durability. The Company has emerged as a market leader for LPG stoves and Table Top Wet Grinders in India.

BGMAL has a solid foothold in the Southern market and an extensive distribution network all over India. BGMAL also actively exports its products to the United Kingdom, United States of America, Mauritius, Sri Lanka, Japan and United Arab Emirates.

Inspite of competition from all around, 'Butterfly' enjoys high brand quality and trust with trade, institution and its customer with every passing generation.

Branded Sales Performance

Total Branded net sales stood at Rs.540.55 crores (net of excise duty) for financial year 2017-18 as compared to Rs. 404.85 crores (net of excise duty) in the financial year 2016-2017.

MANAGEMENT DISCUSSION AND ANALYSIS

The product-wise revenue contribution of Branded sales is as under:

(Rs. in crores)

Sales (Value)	FY 2017-18	FY 2016-17
Kitchen Appliances	434.44	374.68
Cooker/Cookware	84.67	55.08
Others	30.20	20.11
Total	**549.31**	**449.87**
Less: Excise Duty	8.75	45.01
Net Revenue	**540.56**	**404.86**

Outlook

Overall, the year in retrospect witnessed several challenges on the global and domestic economic environment front. The Company achieved this turnover though branded sales and its overall growth is commendable. The Company will strive hard to come out of the uncertainties prevailing in the market through its strategic planning and tireless effort.

We believe, the Company has a great deal of opportunities for future growth. There is enormous untapped potential across our established brand equity, target geographies and diversified product portfolio and we continue to take several steps towards capitalizing on these growth drivers. The Company has huge potential to increase the Revenues in new channels like e-Commerce sales, Modern Retail, CSD, CPC, TNPC canteen stores and Exports. The Company is targeting to achieve 20% of top line growth in FY 2018-19.

Our vision is being directed towards the innovation of products, further complimented by improved packaging. We believe continual improvement in our business ways will help further increase efficiency and agility of brand 'Butterfly'. The demonetization and the payment in digital mode along with implementation of GST is expected to drive the formal economy and it will render more organised market.

The Company also continues to converge on improving business capabilities and enhancing growth levers. Improved R&D capabilities, enhanced retail format expansion, design abilities and better inventory management amongst others will help reinforce our competitive advantages, while simultaneously adding substantial value to brand 'Butterfly'.

We are keenly focused on a compelling long-term shareholder value proposition for our investors. Our growth is driven by the many initiatives undertaken by the Company in the past few years such as meeting with customer expectation, strengthening product offering, deriving value from premiumisation of products, focus on marketing and service segment with the help of good Customer Relationship Management and brand awareness activities and entry into underpenetrated markets. In addition to internal drivers, macro-factors such as changing consumer shopping behaviours along with spending power of the consumer are also undergoing a profound transformation, which we believe, will help the Company accomplish its long-term secular growth objectives.

Risk Management

Risk management is an integral function and is embedded across all of the business processes undertaken by the Company. Your Company believes it is essential to identify and manage risks to reduce uncertainties and ensure continuity of operations. To manage risks, the Company's Risk Management team continuously assesses and monitors business practices, ensuring the smooth flow of operations and adhering to stringent guidelines. The Company has a risk management framework in place, with processes to strategize, monitor, identify, assess and mitigate risks that could impact sustainability of business operations.

All fixed assets are covered by the insurance policy and the renewals are made in time.

BGMAL implements comprehensive risk management practices across its operations. We are committed to providing the highest degree of safety to our employees, especially at factories. Regular machinery inspections are important to ensure that the functionality of the machinery is up to date and does not impose any potential hazards that could cause accidents at the workplace. Periodic maintenance checks to equipment are conducted to assure that they meet acceptable safety requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company also actively manages risks arising from credit, raw material price fluctuation and foreign exchange volatility.

Internal Control Systems

The Company and the Management has adequate internal control systems in place to safeguard and shield the Company from losses and in ensuring proper use of its assets. This also ensures that the Company's assets and interests are carefully protected, and all the transactions are appropriately authorized, recorded and presented to the management. The Company always adheres to prescribed guidelines and follows all Accounting Standards prescribed for maintenance of books of accounts and reporting of financial statements. The appointed independent internal auditors monitor and report on the effectiveness of the internal control systems of the various areas of operations Key matters that are reported in the Internal Audit are brought to the notice of the Audit Committee of the Board of Directors and corrective measures are recommended and appropriate actions are taken. The Internal Control systems ensure the business operations function efficiently and the applicable laws, rules, regulations, policies of the Company are followed, in addition to safeguarding the reliability of financial reporting.

Capital Expenditure

During FY16-17, Rs. 9.38 crores capital expenditure was incurred towards enhancing our manufacturing capacity. For FY17-18, a capital expenditure of Rs.11.04 crores is envisaged for modernisation of infrastructure facilities, machinery/equipment and tools/dies.

Balance Sheet

There was no fresh issuance of equity capital during the year. Debt increased as the Company opted for Long-term Borrowings in order to meet its business requirements and also to improve the current ratio. Short-term borrowings reduced mainly due to better management of working capital. The debt equity ratio was continues to be at healthy level.

Accounting Treatment

In the preparation of financial statements, the Company has not followed a treatment different from that prescribed in Accounting Standards. The Company have adopted the Indian Accounting Standard with effect from April 2017.

Human Resources

The Company strives to maintain a cordial relationship and healthy atmosphere with its employees at all levels. Human resources are considered the most important and valuable asset of the Company. Continuous commitment to upgrading skills is an integral part of the human resource development policy of the Company. The focus has always been towards creating a rewarding and nurturing environment for employees. The Company is an equal opportunity employer and promotes diversity in its workforce. Equal opportunities are given to optimize their potential and improve their standard of living.

The Company lays great emphasis on retention of its human talents. The Company invests in human resources intangibles from time to time by providing on the job training, in-house and external training programs and workshops related to technical/functional, behavioural/ general and health and safety ISO certification standards, etc., which motivates employee productivity and skills. Competitive remuneration is awarded to employees on a timely basis and the Company ably maintains amicable industrial relations at all plants As at March 31, 2018, the total workforce of the Company, stood at 1190 employees.

Cautionary Statement

Certain Statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions and macro economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the Company does not have any direct control.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 (3) read with Schedule V 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 thirteen Directors as on 31.3.2018, of whom seven are Non-Executive Independent Directors:

Name of the Directors	Title	Category
Mr.V.M.Lakshminarayanan	Chairman and Managing Director	Promoter – Executive
Mr.V.M.Balasubramaniam	Vice Chairman and Managing Director	Promoter – Executive
Mr.V.M.Seshadri	Managing Director	Promoter – Executive
Mr.V.M.Gangadharam	Executive Director	Promoter – Executive
Mr.V.M.Kumaresan	Executive Director-Technical	Promoter – Executive
Mr.Anand Mundra	Nominee Director	Nominee of Equity Investor – M/s.Reliance Alternative Investment Fund – Private Equity Scheme-1 (acting through Reliance Alternative Investment Services Pvt. Ltd).
Mr.K.Ganesan	Independent Director	Non-Executive Director
Mr.M.Padmanabhan	Independent Director	Non-Executive Director
Mr.A.Balasubramanian	Independent Director	Non-Executive Director
Mr.K.J.Kumar*	Independent Director	Non-Executive Director
Mr.G.S.Samuel	Independent Director	Non-Executive Director
Mr.T.R.Srinivasan	Independent Director	Non-Executive Director
Mrs.Maheswari Mohan	Independent Woman Director	Non-Executive Director

* Resigned w.e.f. 06.06.2018.

REPORT ON CORPORATE GOVERNANCE

(b) ATTENDANCE OF EACH DIRECTOR AT THE BOARD OF DIRECTORS MEETINGS AND THE LAST AGM:

Name of Director	Board Meetings Attended	Attendance at the last AGM (07.09.2017) Yes/No
Total no. of meetings held during the year	7	1
Mr.V.M.Lakshminarayanan	7	Yes
Mr.V.M.Balasubramaniam	6	Yes
Mr.V.M.Seshadri	7	Yes
Mr.V.M.Gangadharam	6	Yes
Mr.V.M.Kumaresan	7	Yes
Mr. K.Ganesan	7	Yes
Mr.M.Padmanabhan	7	Yes
Mr.A.Balasubramanian	7	Yes
Mr.K.J.Kumar	1	Yes
Mr.G.S.Samuel	7	Yes
Mr.T.R.Srinivasan	5	Yes
Mrs.Maheswari Mohan	7	Yes
Mr.Anand Mundra	7	Yes

(c) NUMBER OF OTHER BOARDS OR BOARD COMMITTEES IN WHICH THE DIRECTORS OF THE COMPANY ARE MEMBER OR CHAIRPERSON:

Details of the Directors of the Company holding Directorships in other Companies are given below:

Name of Director	No. of outside Directorship held			
	Public		Private	
	Director	Chairman/Member of Committee(s)	Director	Chairman/ Member of Committee(s)
Mr.V.M.Lakshminarayanan	-	-	-	-
Mr.V.M.Balasubramaniam	-	-	1	-
Mr.V.M.Seshadri	-	-	-	-
Mr.V.M.Gangadharam	-	-	2	-
Mr.V.M.Kumaresan	-	-	2	-
Mr. K.Ganesan	-	-	-	-
Mr.M.Padmanabhan	1	4	-	-
Mr.A.Balasubramanian	1	2	-	-
Mr.K.J.Kumar	-	-	3	-
Mr.G.S.Samuel	1	-	1	-
Mr.T.R.Srinivasan	-	-	-	-
Mrs.Maheshwari Mohan	-	-	-	-
Mr.Anand Mundra	1	-	-	-

REPORT ON CORPORATE GOVERNANCE

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

During the financial year ended 31st March 2018, the Board met seven times on 07.04.2017 (11.30 a.m), 07.04.2017 (12.30 p.m), 25.05.2017, 05.07.2017, 06.09.2017, 07.11.2017 and 08.02.2018.

(e) 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'.

(f) 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.

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

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

3. AUDIT COMMITTEE:

(i) Brief description of terms of reference:

As per the provisions of Section 177 of the Companies Act 2013 and Regulation 18(3) of Schedule II Part-C to the SEBI (LODR) Regulations, 2015, the brief terms of reference to the Audit Committee of the Company, inter-alia include:

- Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is sufficient and credible;
- The Recommendation for appointment, remuneration and terms of appointment of auditors, internal auditors, cost auditors and practicing Company secretary for Secretarial Audit;
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing with the management the annual financial statements and Auditors' Report thereon before submission to the Board for approval with particular reference to:
  - **a)** matters required to be included in the Directors' Responsibility Statement.
  - **b)** Changes, if any, in accounting policies and practices and reasons for the same.
  - **c)** Major accounting entries involving estimates based on the exercise of judgment by management.
  - **d)** Significant adjustments made in the financial statements arising out of audit findings.
  - **e)** Compliance with listing and other requirements relating to financial statements.
  - **f)** Disclosure of any related party transactions
  - **g)** Qualifications in the draft audit report.
- Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- 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;

REPORT ON CORPORATE GOVERNANCE

- 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;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- 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 Ind. Director
Mr.V.M.Lakshminarayanan	Member	Promoter/ Executive Director
Mr.M.Padmanabhan	Member	Non-Executive Ind. Director
Mr.A.Balasubramanian	Member	Non-Executive Ind. Director

(iii) Meetings and attendance during Financial year ended 31st March 2018:

During the financial year ended on 31st March 2018, the Audit Committee met ten times on 04.04.2017, 16.05.2017, 25.05.2017, 05.07.2017, 10.08.2017, 02.09.2017, 26.10.2017, 07.11.2017, 20.12.2017 and 08.02.2018.

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	7
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

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

(iii) Meetings and Attendance during the financial year ended on 31.03.2018:

During the financial year ended on 31st March, 2018, the Nomination and Remuneration Committee met two times on 07.04.2017 and 5.7.2017.

Name of Director	Attendance at Remuneration Committee meeting
Total no. of meetings held during the year which were attended by the Members	2
Mr.K.Ganesan	2
Mr.M.Padmanabhan	2
Mr.A.Balasubramanian	2
Mr.Anand Mundra	2

(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:

The Company has only one Non-Executive Director, who is the Nominee Director of the Private Equity

REPORT ON CORPORATE GOVERNANCE

Participants. In addition, there are seven Independent Directors including a Woman Independent Director. None of the Non-Executive Director/Independent Directors has any pecuniary relationship or transactions with the Company.

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

The Non-Executive Directors were paid Sitting fee of Rs.15,000/- for each Board/ Committee meeting attended by them. Details of such sitting fee paid to them during the financial year ended 31st March, 2018 are given below:

(Rs.)

Name of the Director	Sitting Fees
Mr.K.Ganesan	4,20,000
Mr.M.Padmanabhan	3,60,000
Mr.A.Balasubramanian	2,85,000
Mr.G.S.Samuel	1,50,000
Mr.K.J.Kumar	15,000
Mr.T.R.Srinivasan	1,20,000
Mrs.Maheswari Mohan	1,05,000
TOTAL	**14,55,000**

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 Wholetime Directors are as follows:

The Managerial remuneration paid to the Wholetime 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 Wholetime Executive Directors during the financial year ended on 31.03.2018 are as follows:

(Rs.)

Name of Director	Salary	Perquisites	Contribution to PF	Total
V.M.Lakshminarayanan	36,00,000	7,20,000	4,32,000	47,52,000
V.M.Balasubramaniam	35,40,000	7,08,000	4,24,800	46,72,800
V.M.Seshadri	34,80,000	6,96,000	4,17,600	45,93,600
V.M.Gangadharam	33,60,000	6,72,000	4,03,200	44,35,200
V.M.Kumaresan	33,60,000	6,72,000	4,03,200	44,35,200

There is no stock option for any of the Directors including the Managing Director/Executive Directors.

The remuneration of Managing/Executive Directors given above is fixed components. The tenure of office of the Managing Directors and Wholetime Executive Directors is for a period of five years from their respective dates of appointment. 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
Mr.M.Padmanabhan	Member	Non-Executive Independent

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, 2018, the Shareholders' Relationship Committee met four times on 07.04.2017, 29.07.2017, 16.10.2017 and 01.02.2018.

Number of Shareholders' complaints received during the financial year:

During the financial year, the Company received 5 shareholders' complaints mainly pertaining to non-receipt of dividend, annual reports, share certificates sent for transfer, etc. All the complaints were duly

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attended by the Company/Share Transfer Registrars and there is no pending complaint.

Number not solved to the satisfaction of shareholders – Nil

Number of pending compliance: Nil

7. SHARE TRANSFER COMMITTEE:

The Committee consisted of the following:

i. Mr.V.M.Seshadri, Managing Director

ii. Mr.K.S.Ramakrishnan, Company Secretary & General Manager-Legal

Share Transfer Committee meetings were held on 08.05.2017, 05.06.2017, 05.07.2017, 17.07.2017, 29.07.2017, 29.08.2017, 11.09.2017, 28.09.2017, 14.10.2017, 07.11.2017, 14.12.2017, 23.12.2017, 02.01.2018, 08.01.2018, 19.01.2018, 29.01.2018, 19.02.2018, 01.03.2018, 15.03.2018.

8. GENERAL BODY MEETINGS:

Location and time, where last three AGMs held :

YEAR	LOCATION	DATE	TIME
2016-2017	143,Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam, Kancheepuram 603 103	07.09.2017	11.00 a.m.
2015-2016	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam, Kancheepuram 603 103	05.08.2016	11.00 a.m.
2014-2015	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam, Kancheepuram 603 103	20.08.2015	11.00 a.m.

Whether any special resolutions passed in the previous 3 Annual General Meetings:

1. 2014-15: YES

Special Resolutions passed under the Companies Act 2013 ("the Act"):

a. Pursuant to Sections 196, 197 and 203 of the Act, reappointment of Mr.V.M.Kumaresan as Executive Director – Technical for a period of five years w.e.f. 01.06.2016 to 31.05.2021.

b. Pursuant to Section 14 and 15 of the Act, amendment of article 117 of the Articles of Association of the Company.

c. Pursuant to Section 180 of the Act, enhancement of powers of the Board to borrow moneys from Rs.120 crores to Rs.160 cores.

2. 2015-16: YES

Special Resolutions passed under the Companies Act 2013 ("the Act"):

a. Pursuant to Sections 196, 197 and 203 of the Act, reappointment of Mr.V.M. Seshadri as Managing Director for a period of five years w.e.f. 01.06.2017 to 31.05.2022.

b. Pursuant to Sections 196, 197 and 203 of the Act, reappointment of Mr.V.M. Gangadharam as Executive Director for a period of five years w.e.f. 01.10.2016 to 30.09.2022.

c. Pursuant to Section 14 and 15 of the Act, amendment of article 117 of the Articles of Association of the Company.

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

No Special Resolution was passed through Postal Ballot last year.

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

(v) Procedure for Postal Ballot: Not Applicable

3. 2016-17: NIL

9. MEANS OF COMMUNICATION

(i) The quarterly Unaudited Financial Results and the Annual Audited Financial Results of the Company, in

REPORT ON CORPORATE GOVERNANCE

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 presentation made to Institutional Investors or to the analysts – The quarterly presentation of Company's financial performance is 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.

10. GENERAL SHAREHOLDER INFORMATION:

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

Date : 11.09.2018

Day : Tuesday

Time : 11.00 a.m.

Venue : 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District

(b) Particulars of Financial Calendar:

Financial year : 1st April 2018 to 31st March 2019

Unaudited First Quarter Results : On or by 15th August, 2018

Unaudited Second Quarter Results : On or by 15th November, 2018

Unaudited Third Quarter Results : On or by 15th February, 2019

Audited Annual Results : On or by 30th May, 2019

(c) Date of Book Closure: 05.09.2018 to 11.09.2018 (both days inclusive)

(d) Date of remote e-voting: from 08.09.2018 (9.00 a.m.) to 10.09.2018 (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 25th 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 2018-19.

(f) Stock Code:

BSE	517421
NSE	BUTTERFLY
ISIN	INE295F01017

(g) Market Price Data (High/Low) during financial year 2017-2018

Sl. No.	Month	Month's Highest (Rs.)		Month's Lowest (Rs.)	
		BSE	NSE	BSE	NSE
01	April, 2017	209.50	210.00	177.70	178.00
02	May, 2017	205.30	204.90	161.70	162.10
03	June, 2017	203.00	203.20	160.70	160.10
04	July, 2017	200.00	199.50	180.00	180.10
05	August, 2017	186.95	187.45	157.00	155.00
06	September, 2017	221.00	221.65	164.50	163.65
07	October, 2017	324.30	324.85	181.95	181.65
08	November, 2017	518.00	510.00	317.65	316.00
09	December, 2017	611.90	598.80	455.00	457.85
10	January, 2018	661.00	648.65	535.10	515.00
11	February, 2018	608.40	607.05	470.00	468.65
12	March, 2018	529.00	530.00	461.00	466.15

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(h) Performance in comparison to BSE Sensex and CNX Nifty:

On an annual basis, for financial year 2017-18, the Company delivered a return of (176.14%) as compared to BSE Sensex return of (17.63%) and CNX Nifty return of (22%).

(i) The Company's equity shares were not suspended from trading during the financial year 2017-18.

(j) Registrars and Share Transfer Agents:

The public shareholding in the Company are partly dematerialized and partly in physical form. The Company has appointed M/s.GNSA Infotech 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.

(k) Share Transfer System:

Share transfers in physical form are registered and despatched within 15 days from the date of receipt, if documents are complete in all respects. The Share Transfer Committee of the Board every fortnight to approve transfer/transmission of the shares in physical form, processed by the Registrars and Share Transfer Agents. As at 31st March 2018, no Equity Shares were pending for transfer.

(l) Shareholding Pattern as at 31.3.2018

Category		No. of Shares Held	Percentage of Shareholding
A	Promoter's holding Promoters & their relatives	11645772	65.13
B	Non-Promoters Holding		
1	INSTITUTIONAL INVESTORS		
	Private Equity Investor	1382835	7.73
	Mutual Funds/UTI	770049	4.31
	Financial Institutions/ Banks	2000	0.01
	Others	81352	0.46
2	CENTRAL/STATE GOVERNMENTS	--	--
3	NON-INSTITUTIONAL INVESTORS		
	a. Bodies Corporate	388715	2.18
	b. Indian Public	3481069	19.47
	c. NRIs	127759	0.71
	GRAND TOTAL	**17879551**	**100.00**

(m) Distribution of shareholding as on 31.03.2018:

No. of Equity Shares Held	No. of Share Holders	%	No. of Shares Held	%
1 – 500	17178	95.59	1459510	8.16
501 – 1000	422	2.35	340652	1.91
1001 – 2000	174	0.97	269853	1.51
2001 – 3000	51	0.28	128389	0.72
3001 – 4000	29	0.16	104290	0.58
4001 – 5000	24	0.13	113491	0.63
5001 – 10000	39	0.22	284799	1.59
Above 10000	54	0.30	15178567	84.89
TOTAL	17971	100.00	17879551	100.00
No. of shares held in physical form	8456	47.05	772306	4.32
No. of Shares held in electronic mode	9515	52.95	17107245	95.68
Total	17971	100.00	17879551	100.00

(n) Dematerialisation of shares and liquidity: As on 31.03.2018, 95.68% of the paid- capital has been dematerialised.

(o) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity: No such instruments have been issued by the Company.

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(p) Plant locations : (i) 143, Pudupakkam Village,
Vandalur-Kelambakkam Road,
Kelambakkam - 603 103
Kancheepuram District
Tamil Nadu

(ii) No.41, Pudupakkam Village,
Vandalur – Kelambakkam Road,
Kanchipuram District – 603 103
Tamil Nadu

(iii) No.7, Karanai-Puducherry Village,
Kattur - 603 202, Chengalpattu Taluk
Kancheepuram Dist
Tamil Nadu

(q) 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 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, Kancheepuram District
Email: butterflyho@butterflyindia.com and cs@butterflyindia.com

9. Other Disclosures:

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

During the financial year 2017-2018, no transaction has been entered into by the Company with its Promoters, the Directors or the management and relatives, etc., of materially in nature 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 Audit Committee/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 AOC-2 are annexed to the Directors' Report.

(ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges, SEBI or any other Statutory Authorities on any matter related to capital markets, during the last three years.

There was no non-compliance by the Company, penalties or strictures imposed on the Company by Stock Exchange(s), SEBI, or any other Statutory Authority or any matters relating to capital market during the last three years.

(iii) Whistle Blower policy and affirmation that no personnel has 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

REPORT ON CORPORATE GOVERNANCE

SEBI (LODR) Regulations 2015, Whistle Blower Policy of the Company can be visited at its website www.butterlfyindia.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.

(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) MD/CFO Certification:

As required under Schedule II – Part B to the SEBI (LODR) Regulations, 2015 the CEO/CFO have furnished necessary certificates to the Board of Directors with respect to Financial Statements for the year ended 31st March 2018.

Place : Navalur – 600 130
Date : 07.07.2018

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

Declaration on Code of Conduct

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

Place: Navalur-600 130
Date: 07.07.2018

V.M.LAKSHMINARAYANAN
Chairman and Managing Director

MD/CFO CERTIFICATION

MD/CFO CERTIFICATION UNDER THE PROVISO TO CLAUSE (b) OF SUB REGULATION (2) OF REGULATION 33 OF THE SEBI(LODR) REGULATION 2015

To

The Board of Directors
Butterfly Gandhimathi Appliances Limited

A. We have reviewed financial statements for the year ended on 31.3.2018 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 : Navalur – 600 130
Date : 28.05.2018

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Auditors' Certificate on Compliance of Conditions of Corporate Governance under Schedule (E) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of Butterfly Gandhimathi Appliances Limited

This certificate is issued in accordance with the terms of our engagement with Butterfly Gandhimathi Appliances Limited ('the Company'). We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, 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, 2018.

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 31,2018.

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
F.R No: 009571N/N500006

S.SUNDAR RAJAN
Partner
Membership No: 211414

Place: Chennai
Date : 28th May, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

1. Report on the Ind AS Financial Statements

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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity 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.

This responsibility also includes 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 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.

3. Auditor's Responsibility:

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

4. Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

5. Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated May 25, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

6. Report on Other Legal and Regulatory Requirements

6.1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

6.2. 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, the Cash Flow Statement and Statement of Changes in Equity 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 prescribed under section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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" and

g. 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 36);

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's Registration No.: 009571N/N500006

S.SUNDAR RAJAN
Partner
Membership No: 211414

Place: Chennai
Date: May 28th, 2018

INDEPENDENT AUDITORS' REPORT

ANNEXURE - A

(referred to in paragraph 6.1 to our Independent Auditor's Report of even date to the members of Butterfly Gandhimathi Appliances Limited)

(i) **(a)** The Company is maintaining proper records to show full particulars, including quantitative details and situation of its fixed assets;

(b) Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion covers all the fixed assets at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such physical verification;

(c) The title deeds of immovable properties are under the custody of the lenders as security for the various credit facilities sanctioned; as confirmed by lenders and the Mortgage deed executed between bank and the Company, the 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 inventories of the Company have been physically verified by the management during the year and according to the information and explanation given to us no material discrepancies were noticed between the book records and physical inventories;

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.

iv. The Company has not granted any loans, made investments and provided any guarantee or security.

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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities.

(b) The details of service tax, duty of excise and value added tax that have not been deposited on account of dispute are as under:

INDEPENDENT AUDITORS' REPORT

Sl.No	Name of the Statue	Nature of the dues	Amount (Rs.in Lakh)	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty	1898.62	FY2011-12 to 2013-14	Supreme Court
2	Central Excise Act, 1944	Excise Duty	114.36	FY 2011-12 & 2012-13	Customs, Excise, Service Tax Appellate Tribunal (CESTAT)
3	Central Excise Act, 1944	Excise Duty	1.04	1998-99	Assistant Commissioner - Chennai II Commmissionerate
4	Service Tax	Service Tax	73.21	FY 2008-09 to 2014-15	Commissioner Appeals, Chennai
5	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax (VAT)	115.12	FY 2009-10 to 2013-14	Sales Tax Appellate Tribunal, Tamil Nadu
6	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax (VAT)	64.70	FY 2006-07 to 2008-09	Assistant Commissioner (CT), Washermanpet II
7	Kerela Value Added Tax	Value Added Tax (VAT)	6.42	FY 2013-14 and 2015-16	Commissioner Appeals, Ernakulam

viii. On this basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions/ Banks.

ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. The moneys raised by way of term loans were applied for the purpose for which the term loans were raised.

x. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year;

xi. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the "Act";

xii. The Company is not a Nidhi Company.

xiii. The transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable and details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. The Company has not entered into any non-cash transactions with Directors or persons connected with them.

xvi. The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

Place: Chennai
Date: May 28th, 2018

S SUNDAR RAJAN
Partner
Membership No: 211414

INDEPENDENT AUDITORS' REPORT

ANNEXURE B

(referred to in paragraph 6.2(f) to our Independent Auditor's 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, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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") and the Standards on Auditing, (the standards) issued by ICAI and deemed to be prescribed under section 143(10) of the "Act", to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipts and expenditures of the Company are being made only in accordance with authorisations of

INDEPENDENT AUDITORS' REPORT

management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2018, 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's Registration No.: 009571N/N500006

Place: Chennai
Date: May 28th, 2018

S SUNDAR RAJAN
Partner
Membership No: 211414

BALANCE SHEET AS AT MARCH 31, 2018

₹ in Lakhs

Particulars	Note No	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	12,446.42	12,245.44	12,143.81
(b) Capital Work-in-Progress		177.22	422.67	293.96
(c) Other Intangible Assets	2	4,144.37	4,483.24	4,815.59
(d) Financial Assets				
(i) Investments	3	11.34	10.08	-
(ii) Trade Receivables	4	-	283.57	879.89
(iii) Other Financial Assets	5	246.32	262.20	299.52
(e) Deferred Tax Assets (Net)	6.1	138.35	76.79	-
(f) Other Non- Current Assets	7	-	8.68	39.08
Current Assets				
(a) Inventories	8	12,513.37	10,876.95	12,382.21
(b) Financial Assets				
(i) Trade Receivables	9	13,055.76	8,796.10	24,771.97
(ii) Cash and Cash Equivalents	10	1,630.42	2,795.70	946.19
(iii) Bank Balances other than (ii) above	11	639.05	345.63	872.15
(iv) Other Financial Assets	12	300.34	310.76	419.22
(c) Current Tax Assets (Net)	13	48.21	5.23	61.73
(d) Other Current Assets	14	1,410.38	914.97	1,101.52
Total Assets		**46,761.55**	**41,838.01**	**59,026.84**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	15	1,787.96	1,787.96	1,787.96
(b) Other Equity	16	16,233.27	15,728.35	21,146.10
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Long Term Borrowings	17	4,316.70	5,993.77	4,317.46
(ii) Other Financial Liabilities	18	264.66	255.00	291.50
(b) Deferred Tax Liabilities (Net)	6.1	-	-	48.29
Current Liabilities				
(a) Financial Liabilities				
(i) Short Term Borrowings	19	14,536.82	8,389.30	19,254.34
(ii) Trade Payables	20	5,611.80	5,970.36	8,454.34
(iii) Other Financial Liabilities	21	2,466.41	1,974.56	1,733.85
(b) Other Current Liabilities	22	825.87	1,318.81	1,168.11
(c) Short Term Provisions	23	540.09	391.50	736.74
(d) Current Tax Liabilities (Net)	24	177.97	28.40	88.15
Total Equity and Liabilities		**46,761.55**	**41,838.01**	**59,026.84**

The Accompanying Notes form an integral part of these Financial Statements 33-51

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

S SUNDAR RAJAN
Partner
Membership No. 211414

Place: Chennai
Date: 28.05.2018

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

V.M.SESHADRI
Managing Director

A.BALASUBRAMANIAN
Director

PRAKASH IYER
Chief Executive Officer

K.S.RAMAKRISHNAN
Company Secretary & GM (Legal)

R.NAGARAJAN
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

Particulars	Note No	Year Ended March 31, 2018	Year Ended March 31, 2017
I Revenue from Operations	25	54,931.07	44,987.18
II Other Income	26	160.52	173.67
III Total Income (I+II)		**55,091.59**	**45,160.85**
IV Expenses			
Cost of Materials Consumed	27	21,875.56	14,913.03
Purchase of Stock in Trade		10,641.73	7,874.10
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	(991.09)	1,939.89
Excise Duty on Sale of Goods		875.45	4,501.26
Employee Benefits Expense	29	5,733.06	5,046.92
Finance Costs	30	1,808.80	2,345.96
Depreciation and Amortisation	31	1,237.78	1,161.48
Other Expenses	32	13,326.81	12,694.69
Total Expenses (IV)		**54,508.10**	**50,477.33**
V Profit / (Loss) Before Exceptional Items and Tax (III- IV)		**583.49**	**(5,316.48)**
VI Exceptional Items		-	-
VII Profit / (Loss) Before Tax (V- VI)		**583.49**	**(5,316.48)**
VIII Tax Expense			
- Current Tax	6.2	175.92	-
- Deferred Tax	6.2	(73.73)	(139.58)
Total Tax Expense		**102.19**	**(139.58)**
IX Profit / (Loss) for the Year (VII- VIII)		**481.30**	**(5,176.90)**
X Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plan Actuarial Gains		35.79	42.64
Income Tax expense on above	6.3	(12.17)	(14.50)
		23.62	**28.14**
XI Total Comprehensive Income for the Year (Comprising Profit and other comprehensive Income for the Year) (IX+ X)		**504.92**	**(5,148.76)**
XII Earnings Per Equity Share (Face Value of ₹.10 each)			
(1) Basic ₹.		2.82	(28.80)
(2) Diluted ₹.		2.82	(28.80)

The accompanying notes form an integral part of these financial statements 33- 52

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

For and on Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

S SUNDAR RAJAN
Partner
Membership No. 211414

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

V.M.SESHADRI
Managing Director

A.BALASUBRAMANIAN
Director

PRAKASH IYER
Chief Executive Officer

Place: Chennai
Date: 28.05.2018

K.S.RAMAKRISHNAN
Company Secretary & GM (Legal)

R.NAGARAJAN
Chief Financial Officer

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash Flows from Operating Activities		
Net Profit Before Tax	**583.49**	**(5,316.48)**
Adjustments:		
Interest Income	(10.36)	(29.23)
Loss on Sale of Fixed Assets	7.01	8.35
Adjustment for OCI	35.79	42.64
Interest Expense	1,808.80	2,345.96
Non Cash Items	(7.85)	(11.76)
Depreciation and Amortization	1,237.78	1,161.48
Operating Cash Flow before Working Capital Changes	**3,654.66**	**(1,799.04)**
Changes in		
Decrease/(Increase) In Trade Receivables	(4,253.06)	15,975.87
Decrease/(Increase) In Inventory	(1,636.42)	1,505.26
Decrease/(Increase) In Other Current Financial Asset(s)	(283.00)	634.98
Decrease/(Increase) In Other Current Asset(s)	(495.41)	186.55
Decrease/(Increase) In Non-Current Trade Receivables	283.57	596.32
Decrease/(Increase) In Other Non-Current Financial Assets	15.88	37.32
Decrease/(Increase) In Other Non-Current Asset	8.68	30.40
(Decrease)/Increase In Trade Payables Current	(360.22)	(2,483.98)
(Decrease)/Increase In Other Current Liabilities	(492.94)	150.70
(Decrease)/Increase In Other Financial Liabilities	(3.75)	17.14
(Decrease)/Increase In Short Term Provisions Current	148.59	(345.24)
Income Taxes paid (net)	(69.35)	(3.25)
Cash Generated from / (used in) Operations	**(3,482.77)**	**14,503.03**
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(864.84)	(1,079.15)
Proceeds from Sale of Fixed Assets	3.40	11.33
Decrease/(Increase) In Non-Current Investments	-	(10.00)
Interest Received	10.36	29.23
Net Cash Generated from/(used in) Investing Activities	**(851.08)**	**(1,048.59)**
Cash Flows from Financing Activities		
Proceeds from Borrowings	418.82	2,598.01
Repayment of Borrowings	(1,586.77)	(722.95)
Proceeds/repayments from Short term Borrowings(net)	6,145.86	(10,865.04)
Dividend Paid (including Dividend Distribution Tax)	-	(268.99)
Interest Paid	(1,808.80)	(2,345.96)
Net Cash used in Financing Activities	**3,169.11**	**(11,604.93)**
Effect of Exchange Rate on Translation of Foreign Currency Cash and Cash Equivalents	(0.55)	-
Increase in Cash and Cash Equivalents	**(1,164.73)**	**1,849.51**
Cash and Cash Equivalents at the Beginning of the Year	**2,795.70**	**946.19**
Cash and Cash Equivalents at the End of the Year	**1,630.42**	**2,795.70**
Components of Cash and Cash Equivalents (Refer Note 10)		
Cash on Hand	20.07	40.57
Bullion on Hand	10.73	2.98
Balances with Banks	1,599.62	2,752.15
Total Cash and Cash Equivalents	**1,630.42**	**2,795.70**

As per our report of even date attached

For ASA & Associates LLP
Chartered Accountants
Firm Regn No. 009571N/N500006

S SUNDAR RAJAN
Partner
Membership No. 211414

Place: Chennai
Date: 28.05.2018

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

V.M.SESHADRI
Managing Director

A.BALASUBRAMANIAN
Director

PRAKASH IYER
Chief Executive Officer

K.S.RAMAKRISHNAN
Company Secretary & GM (Legal)

R.NAGARAJAN
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

Particulars	Equity Share Capital	Reserves and Surplus						Other Components of Equity	Total
		General Reserve	Security Premium	Revaluation reserve	Capital Profit: Forfeited Shares (Transferred from Share Capital)	Capital Profit: On Redemption of Preference Shares issued by erstwhile Gangadharam Appliances Limited to IFCI	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2016	**1,787.96**	**538.56**	**9,701.53**	**80.08**	**1.73**	**142.10**	**10,682.10**	**-**	**22,934.06**
Provision For Dividend and taxes	-	-	-	-	-	-	(268.99)	-	(268.99)
Total Comprehensive Income for the Year	-	-	-	-	-	-	(5,176.90)	-	(5,176.90)
Other Comprehensive Income for the Year	-	-	-	-	-	-	-	28.14	28.14
Balance as at March 31, 2017	**1,787.96**	**538.56**	**9,701.53**	**80.08**	**1.73**	**142.10**	**5,236.21**	**28.14**	**17,516.31**
Total Comprehensive Income for the Year	-	-	-	-	-	-	481.30	-	481.30
Other Comprehensive Income for the Year	-	-	-	-	-	-	-	23.62	23.62
Balance as at March 31, 2018	**1,787.96**	**538.56**	**9,701.53**	**80.08**	**1.73**	**142.10**	**5,717.51**	**51.76**	**18,021.23**

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

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

S SUNDAR RAJAN
Partner
Membership No. 211414

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

V.M.SESHADRI
Managing Director

A.BALASUBRAMANIAN
Director

Place: Chennai
Date: 28.05.2018

PRAKASH IYER
Chief Executive Officer

K.S.RAMAKRISHNAN
Company Secretary & GM (Legal)

R.NAGARAJAN
Chief Financial Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

1 - Property Plant and Equipment

₹ in Lakhs

Description	Land	Buildings	Plant and equipment	Tools and Dies	Electrical Installations and Equipments	Computers	Office Equipments	Vehicles	Furniture and Fixtures	Total
Deemed Cost (Refer note 1.3 below)										
As at April 01, 2016	**4,020.02**	**3,049.33**	**2,451.54**	**906.86**	**356.01**	**105.69**	**113.00**	**401.94**	**739.42**	**12,143.81**
Additions during the year	-	88.47	170.00	511.94	57.40	29.25	25.95	-	55.95	938.96
Deletions during the year	-	-	(7.52)	-	-	-	-	(31.87)	-	(39.39)
As at March 31, 2017	**4,020.02**	**3,137.80**	**2,614.02**	**1,418.80**	**413.41**	**134.94**	**138.95**	**370.07**	**795.37**	**13,043.38**
Additions during the year	-	20.51	219.05	521.86	29.45	43.06	6.97	255.81	7.41	1,104.11
Deletions during the year	-	-	(0.99)	-	-	(1.65)	-	(21.89)	-	(24.53)
As at March 31, 2018	**4,020.02**	**3,158.31**	**2,832.08**	**1,940.66**	**442.86**	**176.35**	**145.92**	**603.99**	**802.78**	**14,122.96**
Depreciation and amortization										
Charge for the year ended March 31, 2017	-	113.38	223.20	175.08	43.95	52.23	31.51	76.86	101.44	817.65
Deletions during the year	-	-	(1.92)	-	-	-	-	(17.79)	-	(19.71)
As at March 31, 2017	**-**	**113.38**	**221.28**	**175.08**	**43.95**	**52.23**	**31.51**	**59.07**	**101.44**	**797.94**
Charge for the year	-	120.63	209.54	267.41	49.48	28.14	28.05	85.47	104.02	892.73
Deletions during the year	-	-	(0.37)	-	-	(1.09)	-	(12.65)	-	(14.12)
As at 31 March 2018	**-**	**234.01**	**430.45**	**442.49**	**93.43**	**79.27**	**59.56**	**131.88**	**205.46**	**1,676.55**
Net Book Value										
As at March 31, 2018	**4,020.02**	**2,924.30**	**2,401.63**	**1,498.18**	**349.43**	**97.08**	**86.36**	**472.11**	**597.32**	**12,446.42**
As at March 31, 2017	**4,020.02**	**3,024.42**	**2,392.74**	**1,243.72**	**369.46**	**82.71**	**107.44**	**311.00**	**693.93**	**12,245.44**
As at April 01, 2016	**4,020.02**	**3,049.33**	**2,451.54**	**906.86**	**356.01**	**105.69**	**113.00**	**401.94**	**739.42**	**12,143.81**

1.1.Vehicles includes Assets acquired on "Hire Purchase" basis.

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

1.3 Reconciliation of the gross carrying amount as per previous GAAP with the deemed cost as at April 01, 2016

Description	Land	Buildings	Plant and equipment	Tools and Dies	Electrical Installations and Equipments	Computers	Office Equipments	Vehicles	Furniture and Fixtures	Total
Gross carrying amount as per previous GAAP (A)	4,020.02	3,528.34	3,483.65	1,858.43	497.98	333.20	187.55	774.20	1,055.72	15,739.09
Accumulated depreciation (B)	-	479.01	1,032.11	951.57	141.97	227.51	74.55	372.26	316.30	3,595.28
Deemed cost as at April 01, 2016 (A-B)	4,020.02	3,049.33	2,451.54	906.86	356.01	105.69	113.00	401.94	739.42	12,143.81

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

2 - Other Intangible Assets

₹ in Lakhs

Description	Usage Right of Trade Mark	Trade Mark and License	Computer Software	Total
Deemed Cost (Refer note 2.1 below)				
As at April 01, 2016	**176.00**	**4,297.50**	**342.09**	**4,815.59**
Additions during the year	-	-	11.48	11.48
As at March 31, 2017	**176.00**	**4,297.50**	**353.57**	**4,827.07**
Additions during the year	-	-	6.18	6.18
As at March 31, 2018	**176.00**	**4,297.50**	**359.75**	**4,833.25**
Amortization and Impairment				
Amortization for the year ended March 31, 2017	16.00	238.75	89.08	343.83
As at March 31, 2017	**16.00**	**238.75**	**89.08**	**343.83**
Amortization for the year	16.00	238.75	90.30	345.05
As at March 31, 2018	**32.00**	**477.50**	**179.38**	**688.88**
Net Book Value				
As at March 31, 2018	**144.00**	**3,820.00**	**180.37**	**4,144.37**
As at March 31, 2017	**160.00**	**4,058.75**	**264.49**	**4,483.24**
As at April 01, 2016	**176.00**	**4,297.50**	**342.09**	**4,815.59**

2.1 Reconciliation of the gross carrying amount as per previous GAAP with the deemed cost as at April 01, 2016

Description		Usage Right of Trade Mark	Trade Mark and License	Computer Software	Total
Gross carrying amount as per previous GAAP	(A)	400.00	4,775.00	556.60	5,731.60
Accumulated Amortization	(B)	224.00	477.50	214.51	916.01
Deemed cost as at April 01, 2016	(A-B)	176.00	4,297.50	342.09	4,815.59

3 - Investments - Non Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in Mutual Funds	11.34	10.08	-
Total	**11.34**	**10.08**	**-**
3.1 Aggregate amount of Quoted Investments			
- Cost	10.00	10.00	-
- Market Value	11.34	10.08	-

4 - Trade Receivables - Non Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Retention Money Receivable	-	283.57	879.89
Total	**-**	**283.57**	**879.89**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

5 - Other Financial Assets - Non Current

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long Term Security Deposit	246.32	262.20	299.52
Total	**246.32**	**262.20**	**299.52**

6 - Deferred Tax Assets / (Liabilities)

6.1 Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liability			
Property, Plant and Equipment	1,701.95	527.12	401.17
Others	1.65	11.18	8.48
Remeasurements of defined benefit plan acturial gains/ (losses) - OCI	26.67	14.50	-
Sub Total	**1,730.27**	**552.80**	**409.65**
Deferred Tax Assets			
Brought forward Business Losses	1,212.48	-	-
Provision for Discounts	6.13	5.10	13.00
Provision for Bad and Doubtful Debts	95.49	145.93	88.52
MAT Credit Entitlement	344.23	344.23	92.77
Gratuity	49.41	-	-
Provision for Warranty	160.88	133.11	166.05
Others	-	1.22	1.02
Sub Total	**1,868.62**	**629.59**	**361.36**
Net Deferred Tax Assets / (Liabilities)	**138.35**	**76.79**	**(48.29)**

Movement in Deferred Tax balances during the year ended March 31, 2018

Particulars	Balance As at April 1, 2017	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2018
Property, Plant and Equipment	(527.12)	(1,174.83)	-	(1,701.95)
Others	(11.18)	9.54	-	(1.65)
Brought forward Business Losses	-	1,212.48	-	1,212.48
Provision for Discounts	5.10	1.03	-	6.13
Provision for Bad and Doubtful Debts	145.93	(50.44)	-	95.49
MAT Credit Entitlement	344.23	-	-	344.23
Gratuity	-	49.41	-	49.41
Movement in Defined Benefit Plan	(14.50)	-	(12.17)	(26.67)
Provision for Warranty	133.11	27.77	-	160.88
Others	1.22	(1.22)	-	-
Total	**76.79**	**73.73**	**(12.17)**	**138.35**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Movement in Deferred Tax balances during the year ended March 31, 2017 ₹ in Lakhs

Particulars	Balance As at April 1, 2016	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2017
Property, Plant and Equipment	(401.17)	(125.94)	-	(527.12)
Others	(8.48)	(2.71)	-	(11.18)
Brought forward Business Losses	-	-	-	-
Provision for Discounts	13.00	(7.90)	-	5.10
Provision for Bad & Doubtful Debts	88.52	57.41	-	145.93
MAT Credit Entitlement	92.77	251.46	-	344.23
Movement in Defined Benefit Plan	-	-	(14.50)	(14.50)
Provision for Warranty	166.05	(32.94)	-	133.11
Others	1.02	0.20	-	1.22
Total	**(48.30)**	**139.58**	**(14.50)**	**76.79**

Unrecognised Deferred Tax Assets

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unutilised tax credit	175.92	-	-
Unutilised tax losses	621.58	-	-
Total	**797.50**	**-**	**-**

6.2 Tax Recognised in statement of Profit and Loss

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Current Income Tax		
for the year	175.92	-
Sub Total (A)	**175.92**	-
Deferred Tax		
Origination and reversal of temporary differences	(73.73)	(139.58)
Sub Total (B)	**(73.73)**	**(139.58)**
Total (A+B)	**102.19**	**(139.58)**

6.3 Tax Recognised in Other Comprehensive Income

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Defined benefit plan Acturial Gains (Losses)	(12.17)	(14.50)
Total	**(12.17)**	**(14.50)**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

6.4 Reconciliation of Effective Tax Rates

₹ in Lakhs

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Profit Before Tax	583.49	(5,316.48)
Enacted tax Rate (under Normal Provisions)	33.06%	33.06%
Enacted tax Rate (under MAT)	20.39%	20.39%
Computed Expected Tax Expenses - Normal Provision*	**192.92**	**-**
Computed Expected Tax Expenses - MAT**	**118.97**	**-**
Non-deductible expenses	53.86	-
Ind AS Transition Adjustment	(4.21)	-
OCI Income	7.30	-
Current Tax	175.92	-
Deferred Tax	(61.56)	(125.08)
Tax Expenses for the year	**114.36**	**(125.08)**

* Tax payable under the normal provisions is ₹. Nil for the year ended 31.03.2018 after setting of the unabsorbed accumulated losses. 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.

7 - Other Non Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepayments - Deposits / Retention Money	-	8.68	39.08
Total	**-**	**8.68**	**39.08**

8 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials and Components (Refer 8.1 below)	5,158.81	4,509.93	4,050.26
Work in Progress	768.26	1,846.84	1,591.92
Finished Goods (Refer 8.2 below)	3,078.01	1,906.81	2,782.72
Traded Goods	3,380.81	2,482.34	3,801.24
Consumables	127.48	131.03	156.07
Total	**12,513.37**	**10,876.95**	**12,382.21**
8.1 Includes Goods in Transit	78.66	103.24	225.24
8.2 Includes Goods in Transit	-	-	54.21

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

9 - Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Receivables			
Secured Considered Good	245.49	198.27	253.03
Unsecured Considered good	11,621.53	7,056.91	22,634.63
Considered Doubtful	-	412.69	229.12
Less:			
Impairment for Trade Receivable under expected credit loss model	280.85	429.21	489.46
Retention Money Receivable - Unsecured Considered Good by TNCSC	1,469.59	1,557.44	2,144.65
Total	**13,055.76**	**8,796.10**	**24,771.97**

10 - Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i) Balances with Banks	1,599.62	2,752.15	895.83
ii) Cash on Hand (Refer Note 10.01 below)	20.07	40.57	41.54
iii) Bullion on Hand	10.73	2.98	8.82
Total	**1,630.42**	**2,795.70**	**946.19**
10.1 Includes Foreign Currency Equivalents	**5.57**	**5.31**	**4.02**

11 - Bank Balances other than in 10 (i) above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Balances held as Margin Money	604.95	310.35	843.83
Unpaid Dividend account	34.10	35.28	28.32
Total	**639.05**	**345.63**	**872.15**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

12 - Other Current Financial Assets

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, Considered Good;			
Loans and advances to Employees	135.04	143.35	163.17
Accrued Interest	14.78	20.88	20.88
Claims Receivable	-	-	115.25
Deposits with Authorities	150.52	146.53	119.92
Total	**300.34**	**310.76**	**419.22**

13 - Current Tax Asset

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Refund Receivable	48.21	5.23	61.73
Total	**48.21**	**5.23**	**61.73**

14 - Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured Considered Good			
Balance with Government Authorities	819.60	82.64	181.82
Prepaid Expenses	98.22	145.72	73.59
Advances to Suppliers			
– Capital	26.89	11.72	-
– Others	456.99	607.88	758.77
Prepayments - Deposits / Retention Money	8.68	67.01	87.34
Total	**1,410.38**	**914.97**	**1,101.52**

15 - Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Share Capital			
4,00,00,000 Equity Shares of ₹.10/- each	4,000.00	4,000.00	4,000.00
Total	**4,000.00**	**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	1,787.96
Total	**1,787.96**	**1,787.96**	**1,787.96**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

15.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning of the period	17,879,551	1,787.96	17,879,551	1,787.96
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	**17,879,551**	**1,787.96**	**17,879,551**	**1,787.96**

15.2 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹.10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
V.M. Chettiar & Sons India LLP	35.07	19.62%	35.07	19.62%	28.35	15.86%
LLM Appliances Private Limited	30.47	17.04%	30.47	17.04%	30.47	17.04%
Mr.V.M.Seshadri	12.52	7.00%	12.52	7.00%	12.52	7.00%
Reliance Alternative Investments Fund -Private Equity Scheme -I	10.01	5.60%	24.51	13.71%	24.51	13.71%
Mr.V.M.Lakshminarayanan	10.01	5.60%	10.01	5.60%	10.01	5.60%
Total	**98.08**	**54.86%**	**112.58**	**62.97%**	**105.86**	**59.21%**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

16 Other Equity

₹ in Lakhs

For the year ended March 31, 2018

Particulars	Reserves and Surplus						Other Components of Equity	Total
				Capital Profit				
	General Reserve	Security Premium	Revaluation reserve	Forfeited Shares (Transferred from Share Capital)	On Redemption of Preference Shares issued by erstwhile Gangadharam Appliances Limited to IFCI	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2017	**538.56**	**9,701.53**	**80.08**	**1.73**	**142.10**	**5,236.21**	**28.14**	**15,728.35**
Total Comprehensive Income for the Year	-	-	-	-	-	481.30	-	481.30
Other Comprehensive Income for the Year	-	-	-	-	-	-	23.62	23.62
Balance as at March 31, 2018	**538.56**	**9,701.53**	**80.08**	**1.73**	**142.10**	**5,717.51**	**51.76**	**16,233.27**

For the year ended March 31, 2017

Particulars	Reserves and Surplus						Other Components of Equity	Total
				Capital Profit				
	General Reserve	Security Premium	Revaluation reserve	Forfeited Shares (Transferred from Share Capital)	On Redemption of Preference Shares issued by erstwhile Gangadharam Appliances Limited to IFCI	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2016	**538.56**	**9,701.53**	**80.08**	**1.73**	**142.10**	**10,682.10**	**-**	**21,146.10**
Provision For Dividend and taxes	-	-	-	-	-	(268.99)	-	(268.99)
Total Comprehensive Income for the Year	-	-	-	-	-	(5,176.90)	-	(5,176.90)
Other Comprehensive Income for the Year	-	-	-	-	-	-	28.14	28.14
Balance as at March 31, 2017	**538.56**	**9,701.53**	**80.08**	**1.73**	**142.10**	**5,236.21**	**28.14**	**15,728.35**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

17 - Long Term - Borrowings

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
Term Loan			
(i) Secured			
- Banks	3,287.03	4,318.59	3,555.20
- Others	1,146.21	1,171.46	823.93
(ii) Unsecured			
- Other than Banks	1,840.00	1,955.00	1,202.54
Less: Current Maturities of Long term Debts	**1,956.54**	**1,451.28**	**1,264.21**
Total	**4,316.70**	**5,993.77**	**4,317.46**

Terms of Payment:

i. Term Loan from Banks (including vehicle loans) are repayable over a period of 3 to 6 years.

ii. Term Loan from Others (including vehicle loans) are repayable over a period of 5 to 15 years.

Security Provided:

a. Term Loan from Banks are Secured

i. By first charge by way of hypothecation of specific Plant and Machinery and Other Fixed Assets / Vehicles acquired out of loan and Equitable Mortgage of certain Land and Building of the Company at Pudupakkam.

ii. Retention money held by Tamil Nadu Civil Supplies corporation (TNCSC) and collateral security of Land and Structure thereon at Pudupakkam.

iii. Personal Guarantee of the Promoter Directors.

b. Other Term Loans:

a. Vehicle Loans are Secured by hypothecation of vehicles purchased out of such loan.

b. Other Term Loans are Secured by Equitable Mortgage of Undivided Land and office complex Building at Egattur.

18 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
Security Deposits from Customers	264.66	255.00	291.50
Total	**264.66**	**255.00**	**291.50**

19 - Short Term Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured Demand Loans from Banks (Refer note 19.1 below)	11,193.81	6,821.97	15,366.34
Bills Discounted	-	611.88	-
From Bank towards Buyer's Credit (Refer note 19.1 below)	3,343.01	955.45	3,888.00
Total	**14,536.82**	**8,389.30**	**19,254.34**

19.1 Secured by hypothecation by way of first charge on Inventories, book debts, present and future excluding Retention Money receivable from Tamil Nadu Civil Supplies Corporation (TNCSC) and collateral paripassu charge of Land and Buildings, the title deeds of which are in the course of transfer in the Company's name and also by the paripassu second charge on other Fixed Assets of the Company at Pudupakkam along with personal Guarantee of Promoter Directors.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

20 - Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Payables			
- Dues to Micro and Small Enterprises (Refer note 20.2 below)	20.41	43.45	8.14
- Others	5,591.39	5,926.91	8,446.20
Total	**5,611.80**	**5,970.36**	**8,454.34**

20.1 Details with respect to Related Parties details are disclosed in note no 45
20.2 No interest due on these outstandings under MSME Act, 2006.

21 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of Long Term Debt	1,956.54	1,451.28	1,264.21
Unclaimed Dividends	34.10	35.28	28.32
Payable to Employees	475.77	488.00	441.32
Total	**2,466.41**	**1,974.56**	**1,733.85**

22 - Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory Liabilities	349.86	454.00	464.11
Advance from Customers	476.01	864.81	676.30
Others	-	-	27.70
Total	**825.87**	**1,318.81**	**1,168.11**

23 - Short Term Provision

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits			
- Gratuity	66.91	-	28.40
- Superannuation	-	-	219.97
Provision for Warranty	473.18	391.50	488.37
Total	**540.09**	**391.50**	**736.74**

24 - Current Tax Liabilities (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Income Tax	248.80	72.88	482.03
Less: Advance Tax and Tax Credited at Source	70.83	44.48	393.88
Total	**177.97**	**28.40**	**88.15**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

25 - Revenue From Operations

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products (Including Excise Duty)	54,606.82	44,734.60
Scrap Sales	324.25	252.58
Total	**54,931.07**	**44,987.18**

26 - Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Change in fair value of Financial Assets	1.26	0.08
Interest income from Financial Assets measured at Amortised cost	80.34	137.60
Other Non-Operating Income	78.92	35.99
Total	**160.52**	**173.67**

27 - Cost of Materials Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock		
Raw Materials and Components	4,509.93	4,050.26
Consumables	131.03	156.07
Add: Cost of		
Raw Materials and Components	21,077.65	14,273.33
Processing Charges	829.65	651.80
Consumables	515.70	315.20
Freight Inward	97.89	107.33
Less: Closing Stock		
Raw Materials and Components	5,158.81	4,509.93
Consumables	127.48	131.03
Total	**21,875.56**	**14,913.03**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance		
Work in Progress	1,846.84	1,591.92
Finished Goods / Stock in Trade	4,389.15	6,583.96
Less Closing Balance		
Work in Progress	768.26	1,846.84
Finished Goods / Stock in Trade	6,458.82	4,389.15
Total	**(991.09)**	**1,939.89**

29 - Employee Benefits Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus etc. (including payment to contractors)	4,661.76	4,169.37
Contribution to Provident and Other Funds	528.23	401.31
Staff Welfare Expenses	543.07	476.24
Total	**5,733.06**	**5,046.92**

30 - Finance Cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost on Financial Liabilities measured at Amortized cost	1,589.32	2,008.96
Unwinding of the Discount on Financial Assets	65.46	107.47
Others	154.02	229.53
Total	**1,808.80**	**2,345.96**

31 - Depreciation and Amortisation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation / Amortisation for the year		
- Tangible Assets	892.73	817.65
- Intangible Assets	345.05	343.83
Total	**1,237.78**	**1,161.48**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

32 - Other expenses

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power and Fuel	555.21	474.26
Rental	371.37	379.79
Repairs and Maintenance		
- Buildings	0.32	0.45
- Machinery	52.53	35.23
- Others	326.13	278.68
Freight Outward	2,148.66	1,587.30
Insurance	36.24	33.75
Rates and Taxes	174.55	238.23
Travel and Conveyance	1,084.42	1,145.20
Communication	78.23	94.46
Payment made to Auditors (Refer note 32.1 below)	16.15	23.64
Professional and Consultancy Charges	381.47	318.05
Advertisement, Publicity and Sales Promotion Expenses	5,354.86	5,777.00
Cash Discount	213.95	343.74
Sales Commission	1,112.21	939.33
Service Centre Expenses	339.95	147.77
Director's Sitting Fees	15.43	18.89
Exchange Loss (Net)	1.16	11.18
Provision for Doubtful Debts	264.33	78.89
Miscellaneous Expenses	799.64	768.85
Total	**13,326.81**	**12,694.69**

Note 32.1 Payment made to Auditors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Statutory Audit Fees :		
i. As Auditors	13.25	10.76
ii. For Taxation Matters	-	7.50
iii. For Other Services	-	3.63
iv. For Reimbursement of Expenses	1.15	-
Cost Audit Fees	1.75	1.75
Total	**16.15**	**23.64**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

33 - Corporate Information:

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

34 - Significant Accounting Policies

34.1 - Basis of Preparation of Financial Statements

34.1.1 - Preparation and compliance with Indian Accounting Standards (IND AS)

The Ministry of Corporate Affairs ('the MCA'), Government of India in exercise of the powers conferred by Section 133 read with Section 469 of the Companies Act, 2013 (The 'Act') and subsection 1 of section 210A of the Companies Act 1956 (The Erstwhile Act) in consultation with National Advisory Committee on Accounting Standards vide G.S.R. 111(E) dated February 16,2015 notified Rules called Companies (Indian Accounting Standard) Rules 2015 effective April 1,2015 which was further amended by MCA vide its notification dated March 30, 2016

In line with the road map framed by the MCA, regarding the applicability of Ind AS, the Company is covered under Phase II of implementation and accordingly Ind AS Financials are prepared for the accounting period commencing from April 1, 2017 with comparatives for the year ended on March 31, 2017 with transition Balance sheet as at April 1, 2016

34.1.2 - Statement of Compliance

The financial statements comprising Balance Sheet, Statement of Profit and Loss, Cash flow Statement, Statement of changes in Equity, together with notes as at and for the year ended March 31, 2018 have been prepared in accordance with Ind AS.

34.1.3 - Historical Cost convention

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

34.1.4 - Current / Non Current classification

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

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

34.1.5 - Functional and Presentation currency

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

34.2 - Revenue recognition

34.2.1 - Revenue from Sale of goods:

Sales are stated at net of returns and taxes on sales. Sales Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is measured at the fair value of the consideration received or receivable.

34.2.2 - Interest Income

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

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

34.3 - Property Plant and Equipment

34.3.1 - Tangible Assets

All property plant and equipment are stated at historical cost of acquisition less accumulated depreciation and amortization 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.

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

34.3.2 - Intangible assets

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

Identifiable intangible assets are recognized when the Company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the Company for more than one economic period; and the cost of the asset can be measured reliably. Amortisation is provided on Straight Line Method (SLM), which reflect the management's estimate of the useful life of the intangible assets.

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

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

34.3.3 - Impairment of assets

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

34.4 - Depreciation

The depreciable amount of an item of 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 60
Plant and Machinery	15
Dies, Tools and Equipment	8
Electrical Equipment	10
Office Equipment	5
Furniture and Fittings	10
Vehicles	8 to 10
Computer and Information System	3 to 6

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

Depreciation is charged on pro-rata basis from the date of addition / till the date of disposal. An item of PPE is derecognized upon disposal or when no future

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

economic benefits are expected to arise from the continued use of the asset. Gains or losses on such disposal of assets are recognised in statement of profit and loss.

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

34.5 - Borrowing Costs

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

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

34.6 - Foreign Currency Translation

34.6.1 - Functional and presentation currency

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

34.6.2 - Transaction and Balances

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

34.7 - Inventories

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

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

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

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

34.8 - Employee Benefits

34.8.1 - Defined Benefit Plan

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

34.8.2 - Defined Contribution Plan:

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

34.8.3 - Short term employee benefits obligations are measured on an undiscounted basis and are expensed as the related services provided. A liability is recognized for the amount expected to be paid under short-term employee benefits if the Company has a present legal or constructive obligation to pay this amount as a

result of past service provided by the employee and the obligation can be estimated reliably.

34.9 - Taxes on Income

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

Current Tax

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

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

Deferred Tax

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

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

Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

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

Current and Deferred Tax for the year

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

Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on its recoverability in the future.

34.10 - Provisions and Contingent Liabilities

34.10.1 - Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. A provision is reversed when it is no longer probable

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

that an outflow of resources embodying economic benefits will be required to settle the obligation.

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

34.10.2 - Contingent Liabilities

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

34.11 - Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are charged to profit or loss in the year in which the rent is actually incurred as the payments made to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

34.12 - Cash and Cash Equivalents

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

34.13 - Financial Assets

34.13.1 - Classification

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

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

(ii) Those measured at amortised cost

34.13.2 - Measurement

Initial Measurement

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 expensed in profit or loss.

34.13.3 - Subsequent Measurement

Investments

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

34.13.4 - Other Financial Assets

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

34.13.5 - Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 38.2 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 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

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

ECLs at each Balance Sheet date, right from its initial recognition.

34.13.6 - De recognition of Financial Assets

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

34.14 - Financial Liabilities

34.14.1 - Classification

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

34.14.2 - Initial recognition and measurement

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

34.14.3 - Loans and Borrowings

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

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

34.14.4 - De-recognition

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

34.14.5 - Offsetting of Financial Instruments

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

34.15 - Dividend to Shareholders

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

34.16 - Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

34.17 - Derivative Financial Instruments

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

34.18 - Segment Information

The Company has identified "Domestic Appliances" as a only reportable segment.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

34.19 - Prior Period

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

34.20 - Cash Flow Statement

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

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

34.21 - Critical Estimates and Judgements

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

35 - Transition to IND AS

These are the Company's first Financial Statements prepared in accordance with Ind AS. The Accounting Policies set out in note 34 have been applied in preparing the Financial Statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The Company's date of transition).

35.1 - In preparing its first Ind AS financial statements in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has applied the relevant mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS. Material optional exemptions applied by the Company and applicable mandatory exceptions for the Company are as follows:

35.2 - A: Ind AS optional exemptions and mandatory exceptions availed

1. Deemed cost of Property Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as required to be made as per para 10 of Ind AS 101.

The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2. Evaluation of arrangements in the nature of Lease

Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to determine whether the arrangements existing contains a lease on the basis of the facts existing on transition date.

3. Revenue from Contracts with Customers

A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

which the entity has transferred all of the goods or services identified in accordance with previous GAAP. Accordingly the Company has not restated the contracts completed in accordance with the previous GAAP as at the transition date.

35.2 - B: Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in Mutual fund carried at FVPL
- Impairment of financial assets based on Expected Credit Loss model.

2. Classification and measurement of Financial Assets

As required under Ind AS 101, the Company has assessed the classification and measurement of financial assets based on the facts and circumstances that existed at the date of transition to Ind AS.

36 - Contingent Liabilities: (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Guarantees	719.83	725.89
Dispute with vendor under sub judice – amount not determined	-	-

36.1 Demands raised on the Company by the respective authorities are as under: (₹ in Lakhs)

Nature of Statute	As at March 31, 2018	As at March 31, 2017
Central Excise (of which ₹ 16.36 lakhs have been paid under protest)	2087.23	3,201.69
VAT / Sales Tax (of which ₹ 25.42 lakhs have been paid under protest)	186.24	208.89
Employee State Insurance and Labour matter (of which ₹ 26.88 lakhs paid under protest)	82.69	75.29
Total	**2,356.16**	**3,485.87**

36.2 - Capital Commitments (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Commitments (net of advance)	39.13	18.60

37 - Disclosures in respect of Ind AS 107 - Financial Instruments

37.1 - Financial Instruments by Categories

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

(₹ in Lakhs as of March 31, 2018)

Particulars	Note No.	Amortized Cost	Financial Assets/ Liabilities at fair value through profit or loss	Financial Assets/ Liabilities at fair value through OCI
Assets:				
Non Current Investment	3	-	11.34	-
Other Non- Current Financial Assets	5	246.32	-	-
Current Trade Receivables	9	13,055.76	-	-
Cash & Cash Equivalents	10	1,630.42	-	-
Other Bank Balances	11	639.05	-	-
Other Financial Assets	12	300.34	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs as of March 31, 2018)

Particulars	Note No.	Amortized Cost	Financial Assets/ Liabilities at fair value through profit or loss	Financial Assets/ Liabilities at fair value through OCI
Liabilities:				
Long term Borrowings	17	4,316.70	-	-
Other Non- Current Financial Liabilities	18	264.66	-	-
Short Term Borrowings	19	14,536.82	-	-
Trade Payables	20	5,611.80	-	-
Other Current Financial Liabilities	21	2,466.41	-	-

(₹ in Lakhs as of March 31, 2017)

Particulars	Note No.	Amortized Cost	Financial Assets / Liabilities at fair value through profit or loss	Financial Assets / Liabilities at fair value through OCI
Assets:				
Non Current Investment	3	-	10.08	-
Non Current Trade Receivable	4	283.57	-	-
Other Non- Current Financial Assets	5	262.20	-	-
Current Trade Receivables	9	8,796.10	-	-
Cash & Cash Equivalents	10	2,795.70	-	-
Other Bank Balances	11	345.63	-	-
Other Financial Assets	12	310.76	-	-
Liabilities:				
Long term Borrowings	17	5,993.77	-	-
Other Non- Current Financial Liabilities	18	255.00	-	-
Short Term Borrowings	19	8,389.30	-	-
Trade Payables	20	5,970.36	-	-
Other Current Financial Liabilities	21	1,974.56	-	-

(₹ in Lakhs as of April 1, 2016)

Particulars	Note No.	Amortized Cost	Financial Assets / Liabilities at fair value through profit or loss	Financial Assets / Liabilities at fair value through OCI
Assets:				
Non Current Trade Receivable	4	879.89	-	-
Other Non- Current Financial Assets	5	299.52	-	-
Current Trade Receivables	9	24,771.97	-	-
Cash & Cash Equivalents	10	946.19	-	-
Other Bank Balances	11	872.15	-	-
Other Financial Assets	12	419.22	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	Note No.	Amortized Cost	Financial Assets / Liabilities at fair value through profit or loss	Financial Assets / Liabilities at fair value through OCI
Liabilities:				
Long Term Borrowings	17	4,317.46	-	-
Other Non- Current financial liabilities	18	291.50	-	-
Short Term Borrowings	19	19,254.34	-	-
Trade Payables	20	8,454.34	-	-
Other Current Financial Liabilities	21	1,733.85	-	-

37.2 - 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).

37.3 - Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018				For the year ended March 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Mutual Funds	11.34	-	-	11.34	10.08	-	-	10.08

38 - 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.

38.1 - 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.

38.1.1 - Foreign Currency Exchange Rate Risk

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

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

rate risks. Currently the Company follows a policy of hedging 100% of its trade payables. On an overall basis, the Company has hedged 90% 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.

Foreign Currency Exposure	Liabilities As at		Assets As at	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD	51.70	14.46	5.51	1.93
GBP	-	-	0.28	0.27

(₹ in Lakhs)

USD sensitivity at year end	As at March 31, 2018	As at March 31, 2017
Receivables		
Weakening of INR by 5%	17.91	6.24
Strengthening of INR by 5%	(17.91)	(6.24)
Payables		
Weakening of INR by 5%	(168.13)	(46.88)
Strengthening of INR by 5%	168.13	46.88

GBP sensitivity at year end	As at March 31, 2018	As at March 31, 2017
Receivables		
Weakening of INR by 5%	1.28	1.09
Strengthening of INR by 5%	(1.28)	(1.09)

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

38.1.2 - Interest Rate Risk

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

At the reporting date the interest rate profile of the Company's interest – bearing financial instruments as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed Rate Instruments		
Financial Asset		
Margin Money with Bank	604.95	310.35
Financial Liabilities		
Term Loan from Bank / Others	6,273.23	7,445.05
Variable Rate Instruments		
Short Term Borrowings	14,536.83	8,389.30

The interest expenses and impact 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, 2018	As at March 31, 2017
Interest Expenses arising on account of variable rate of interest on short term borrowings	750.04	923.93
Impact on		
Increase in 100 basis point	(83.02)	(91.11)
Decrease in 100 basis points	83.02	91.11

38.2 - 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 ₹ 13,055.76 lakhs and ₹ 8,796.10 lakhs as of March 31, 2018 and March 31, 2017, respectively.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Trade receivables are unsecured in nature, except to the extent of security deposits received from the distributors. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

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

Expected credit loss provision matrix provided below.

Particulars	Overdue Period		
	Within the credit period	0-180 days	More than 180 days
Trade Receivables	0.00%	0.18%	27.07%

Credit Risk Exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gross	Impairment	Gross	Impairment
Within the credit period	4760.72	-	3,081.05	-
0 to 180 days	6,109.31	10.95	2,732.92	4.83
More than 180 days	996.99	269.90	1,853.90	424.37

(₹ in Lakhs)

Movement in Provision for Doubtful Debts	Amount
As at April 01, 2016	**489.46**
Charge for the year ended March 31, 2017	78.89
Utilized for the year March 31, 2017	139.14
As at March 31, 2017	**429.21**
Charge for the year ended March 31, 2018	264.33
Utilized for the year March 31, 2018	412.69
As at March 31, 2018	**280.85**

38.3 - 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.

We manage our 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. We maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals and bank borrowings.

The table below provides details regarding the contractual cash outflow for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs as of March 31, 2018)

Particulars	On demand and Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Loan from Banks	1,060.38	896.16	1,724.24	1,059.06	1,533.39	6,273.23
Short Term Borrowings	14536.82	-	-	-	-	14536.82
Security Deposits	-	-	-	-	264.66	264.66
Trade Payables	5611.80	-	-	-	-	5611.80
Other Financial Liabilities	509.87	-	-	-	-	509.87

(₹ in Lakhs as of March 31, 2017)

Particulars	On demand and Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Loan from Banks	897.88	553.39	2,736.11	1,408.78	1,848.89	7,445.05
Short Term Borrowings	8389.30	-	-	-	-	8389.30
Security Deposits	-	-	-	-	255.00	255.00
Trade Payables	5,970.36	-	-	-	-	5,970.36
Other Financial Liabilities	523.28	-	-	-	-	523.28

39 - Capital Management

The Company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The total capital as on March 31, 2018 is ₹ 18,021 Lakhs. (Previous Year: ₹ 17,516 Lakhs).

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Debt	20,810.06	15,834.36
Total Equity	18,021.23	17,516.31
Debt to equity ratio	1.16	0.91

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

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

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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

Movement in Defined Benefit Obligation:

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Defined Benefit Obligation - Beginning of the year	552.77	516.72
Current Service Cost	76.86	78.89
Interest Cost	38.08	38.46
Past Service Cost	51.73	-
Benefits Paid	(62.14)	(72.07)
Re-measurements - Actuarial Loss / (Gain)	(34.44)	(9.23)
Defined Benefit Obligation – End of the year	622.85	552.77

Movement in Plan Asset: (₹ in Lakhs)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Fair value of Plan Assets at Beginning of the year	536.83	462.37
Employer Contributions	41.48	110.36
Benefits Paid	(62.14)	(72.07)
Re-measurements – Return on Plan Assets	38.43	36.17
Re-measurements - Actuarial Loss / (Gain)	1.35	-
Fair value of Plan Assets at end of the year	555.94	536.83

Amount Recognized in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Current Service Cost	76.86	78.89
Curtailment Cost/(Credit)	-	-
Net Interest on Net Defined Benefit Liability / (Assets)	(0.35)	(0.07)
Past Service Cost	51.73	-
Cost Recognized in P&L	**128.23**	**78.82**

Amount recognized in Other Comprehensive Income (OCI) (₹ in Lakhs)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Actuarial (Gain) / Loss due to assumption changes	(34.44)	(9.23)
Difference between Actual Return and Interest Income on Plan Assets- (Gain) / Loss	(1.35)	2.35
Actuarial (Gain) / Loss recognized in OCI	**(35.79)**	**(6.88)**

Sensitivity Analysis

Assumption	Change in Assumption	As at March 31, 2018	As at March 31, 2017
Discount Rate	+0.50%	(29.27)	(28.20)
	-0.50%	31.86	30.83
Salary Growth Rate	+0.50%	29.91	28.96
	-0.50%	(27.93)	(26.88)

Actuarial Assumption

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate	**7.71%**	**7.30%**
Rate of Salary Increase	7.00%	7.00%
Attrition Rate	3.50%	3.50%
Retirement Age	60 Years	60 years
Average Future Service	15.1 Years	15 years

Expected Benefit Payments (₹ in Lakhs)

S.No.	Year of payment	As at March 31, 2018	As at March 31, 2017
1	Year 1	82.05	62.35
2	Year 2	60.12	49.62
3	Year 3	30.85	23.82
4	Year 4	46.16	31.30
5	Year 5	33.10	34.37
6	Next 5 Years	215.50	185.61

Category of Investment in Plan Assets

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

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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

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

The Company has not derived revenues from any customer which amount to 10 per cent or more of Company's revenues.

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

a) Basic EPS

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the Company	₹.504.92 lakhs	₹.(5,148.76) lakhs
Earnings used in calculation of basic earnings per share**(A)**	₹.504.92 lakhs	₹.(5,148.76) 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)	**₹.2.82**	**₹.(28.80)**

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, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the Company	₹.504.92 lakhs	₹.(5,148.76) lakhs
Earnings used in calculation of basic earnings per share **(A)**	₹.504.92 lakhs	₹.(5,148.76) 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)**	₹.**2.82** lakhs	₹.**(28.80)** lakhs

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

Warranty:

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

Movement of provision for warranty:

(₹ in Lakhs)

Particulars	Balance as at April 01, 2017	Additions during the year	Utilization during the year	Reversal during the year	Balance as at March 31, 2018
Provision for Warranty	391.50	582.11	500.43	-	473.18

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

44 - Disclosures in respect of Ind As 7 - Statement of Cash Flow

Reconciliation of liabilities from financing activites:-

(i) Long Term Borrowings (Including Current maturities)

Non Cash Movement (₹ in Lakhs)

Particulars	As at April 01,2017	Proceeds	Repayments	Fair Value changes	As at March 31,2018
Term Loan from Bank	4,318.59	393.82	(1,409.86)	(15.52)	3,287.03
Term Loan from Others	3,126.46	25.00	(176.91)	11.66	2,986.21
Total	**7,445.05**	**418.82**	**(1,586.77)**	**(3.86)**	**6,273.24**

(ii) Short Term Borrowings

Particulars	As at April 01,2017	Cash Flow	Foreign exchange Movement	As at March 31,2018
Working capital facilities	6,821.97	4,371.84	-	11,193.81
Other short term Borrowings	1,567.33	1,774.02	1.66	3,343.01
Total	**8,389.30**	**6,145.86**	**1.66**	**14,536.82**

45 - Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

Key Managerial Personnel

Mr.V.M.Lakshminarayanan, Chairman & Managing Director

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

Mr.V.M.Seshadri, Managing Director

Mr.V.M.Gangadharam, Executive Director

Mr.V.M.Kumaresan, Executive Director-Technical

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

Mr. Prakash Iyer - Chief Executive Officer (CEO)

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

Compensation to Key Managerial Persons (KMP)

45.1 - Managerial Remuneration:

i. Directors : (₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits (Remuneration)	208.08	212.16
Post-employment benefits (PF)	20.81	21.22
Total	**228.89**	**233.38**

Particulars	As at March 31, 2018	As at March 31, 2017
Payable	**16.45**	**23.96**

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration and Short-term Benefits	235.17	182.72
Post-employment benefits (PF & Gratuity)	13.65	11.58
Total	**248.81**	**194.30**

Particulars	As at March 31, 2018	As at March 31, 2017
Payable	**11.07**	**8.60**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

45.2 - Related Parties:

Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

LLM Appliances Private Limited

V.M.Chettiar & Sons LLP

Butterfly Quality Centre Private Limited

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

Wintronix (HK) Holdings Limited

Transactions during the year and outstanding balances

a. Enterprises owned or significantly influenced by Key Management Personnel or their Relatives:

(₹ in Lakhs)

Sl. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Purchase of goods and services	2,912.46	2,061.29
2	Sale of goods and services	72.72	77.36

b. Outstanding balances:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Receivable	7.49	11.74
Payable	16.16	21.00

c. Remuneration & Perquisites to Relatives of KMP

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration and Short-term benefits	144.00	144.00
Post-employment benefits	14.40	14.40
Total	**158.40**	**158.40**

d. Outstanding balances:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Payable	16.05	15.75

46 - Details of CSR Expenditure

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a. Gross amount required to be spent during the Year	-	38.49

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
b. Amount spent during the year	In Cash	Yet to be Paid in Cash	In Cash	Yet to be Paid in Cash
i. Construction/ acquisition of any asset	-	-	-	-
ii. On purposes other than (i) above	-	-	7.30	-

During the year Company spent ₹ 30.19 Lakhs towards CSR obligations of an earlier financial year.

47 - Disclosure in respect of Indian Accounting Standard (Ind AS)-8 "Accounting Policies, Changes in Accounting Estimates and Errors"

Consequent to the Order passed under the provisions of Chapter XIX – A of the Income-tax Act, 1961, income amounting to ₹. 2.06 crores and tax liability amounting to ₹. 5.72 crores (including interest element of ₹. 1.90 crores) pertaining to earlier years to earliest reporting period presented had been reckoned in Retained Earnings as at April 01, 2016 and ₹. 0.15 crores relating to Interest for the f.y. 2016-17 is reckoned under Finance cost in that financial year.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

48. Reconciliation of Balance Sheet as previously reported under IGAAP to IND AS:

(Note provided for only material item of reconciliation)

48.1 - Reconcilation of Ind AS as on April 1, 2016 (₹ in Lakhs)

Particulars	Note No	IGAAP	Ind AS Adjustment	Ind AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	12,143.81	-	12,143.81
(b) Capital Work-in-Progress		293.96	-	293.96
(c) Other Intangible Assets	2	4,815.59	-	4,815.59
(d) Financial Assets				
(i) Investments	3	-	-	-
(ii) Trade Receivables	4	1,007.92	(128.03)	879.89
(iii) Financial Assets	5	300.91	(1.39)	299.52
(e) Deferred Tax Assets (Net)	6.1	(260.10)	260.10	-
(f) Other Non- Current Assets	7	-	39.08	39.08
Current Assets				
(a) Inventories	8	12,382.21	-	12,382.21
(b) Financial Assets				
(i) Trade Receivables	9	25,070.54	(298.57)	24,771.97
(ii) Cash and Cash Equivalents	10	946.19	-	946.19
(iii) Bank Balances other than (ii) above	11	872.15	-	872.15
(iv) Financial Assets	12	419.22	-	419.22
(c) Current Tax Assets (Net)	13	61.73	-	61.73
(d) Other Current Assets	14	1,014.18	87.34	1,101.52
Total Assets		**59,068.30**	**(41.47)**	**59,026.84**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	15	1,787.96	-	1,787.96
(b) Other Equity	16	21,382.01	(235.92)	21,146.10
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Long Term Borrowings	17	4,342.39	(24.93)	4,317.46
(ii) Other Financial Liabilities	18	291.50	-	291.50
(b) Deferred Tax Liabilities (Net)	6.1	48.29	-	48.29
Current Liabilities				
(a) Financial Liabilities				
(i) Short Term Borrowings	19	19,254.34	-	19,254.34
(ii) Trade Payables	20	8,454.34	-	8,454.34
(iii) Other Financial Liabilities	21	2,002.84	(268.99)	1,733.85
(b) Other Current Liabilities	22	1,168.11	-	1,168.11
(c) Short Term Provisions	23	248.37	488.37	736.74
(d) Current Tax Liabilities (Net)	24	88.15	-	88.15
Total Equity and Liabilities		**59,068.30**	**(41.47)**	**59,026.84**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

48.2 - Reconcilation of Ind AS as on March 31, 2017

(₹ in Lakhs)

Particulars	Note No	IGAAP	Ind AS Adjustment	Ind AS
ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	1	12,245.44	-	12,245.44
(b) Capital work-in-progress		422.67	-	422.67
(c) Other Intangible assets	2	4,483.24	-	4,483.24
(d) Financial Assets				
(i) Investments	3	10.00	0.08	10.08
(ii) Trade Receivables	4	360.18	(76.61)	283.57
(iii) Financial Assets	5	257.17	5.03	262.20
(e) Deferred Tax Assets (Net)	6.1	(197.39)	274.17	76.79
(f) Other Non- Current Assets	7	6.15	2.53	8.68
Current Assets				
(a) Inventories	8	10,876.95	-	10,876.95
(b) Financial Assets				
(i) Trade Receivables	9	8,827.61	(31.51)	8,796.10
(ii) Cash and Cash Equivalents	10	2,795.70	-	2,795.70
(iii) Bank Balances other than (ii) above	11	345.63	-	345.63
(iv) Financial Assets	12	310.76	-	310.76
(c) Current Tax Assets (Net)	13	5.23	-	5.23
(d) Other Current Assets	14	849.51	65.46	914.97
Total Assets		**41,598.84**	**239.16**	**41,838.01**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	15	1,787.96	-	1,787.96
(b) Other Equity	16	15,817.64	(89.29)	15,728.35
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Long Term Borrowings	17	6,005.44	(11.67)	5,993.77
(ii) Other Financial Liabilities	18	255.00	-	255.00
Current Liabilities				
(a) Financial Liabilities				
(i) Short Term Borrowings	19	8,389.30	-	8,389.30
(ii) Trade Payables	20	5,970.36	-	5,970.36
(iii) Other Financial Liabilities	21	1,974.56	-	1,974.56
(b) Other Current Liabilities	22	1,318.81	-	1,318.81
(c) Short Term Provisions	23	51.37	340.13	391.50
(d) Current Tax Liabilities (Net)	24	28.40	-	28.40
Total Equity and Liabilities		**41,598.84**	**239.16**	**41,838.01**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(i) Investments in Quoted Instruments:

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period. Long-term investments were carried at cost less provision for permanent diminution in the value of such investments. Current investments were carried at lower of cost and market value.

Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes subsequently accounted in the statement of profit or loss for the year ended 31 March 2017. Consequent to the above, the total equity as at 31 March 2017 increased by ₹ 0.08 Lakhs and profit for the year ended 31 March 2017 increased by ₹ 0.08 Lakhs.

(ii) Trade Receivables:

Under the previous GAAP, Provisions for bad and doubtful debts made only when the Company incurred credit loss.

Under Ind AS, Trade Receivables are recognized initially at fair value and subsequently measured at amortized cost using effective Interest method, less allowance for Impairment. Expected credit loss has been provided based on the simplified approach. Amount of provisions made over and above the existing provisions are ₹ 260.30 Lakhs and ₹ 16.09 Lakhs as on 1st April 2016 and 31st March 2017 respectively.

(iii) Retention Receivables:

The Company has retention receivables from its debtors which are interest-free. Under Ind AS, these receivables being Financial Assets have been stated at Fair value on Initial Recognition and subsequently measured at Amortized Cost using Effective rate of Interest. Difference between transaction value and amortized cost has been adjusted in the carrying value of such balances and accounted as prepayment ₹ 125.07 Lakhs as on April 01, 2016 & ₹ 73.16 Lakhs which will be unwound over the period of retention.

(iv) Deferred Tax:

Under previous GAAP, deferred tax asset/liabilities were recognised on temporary timing difference between taxable income and accounting income.

Under Ind AS, Company has recognized Deferred Tax Assets/ Liability being the difference between tax base and carrying value and also Unutilised MAT Credit entitlements has been regrouped as per requirement of IND AS . The Company has created Deferred Tax Liability for difference in carrying value of PPE between books and Income tax and Deferred Tax Assets in case of Re-measurement of Defined Benefit Obligations, losses carried forward.

Due to the Ind AS adjustments as at the date of transition and for the year ended 31 March 2017, deferred tax asset created for ₹ 274.17 Lakhs (1 April 2016 – ₹ 260.10 Lakhs). As a result, total equity increased by ₹ 274.17 Lakhs as at 31 March 2017 (1 April 2016 - ₹ 260.10 Lakhs)

(v) Proposed Dividend:

Under previous GAAP, proposed dividend is recognized as liability in the period to which it relates. Under Ind AS, Dividend is adjusted directly in equity in the period in which it is paid, irrespective of the period to which it relates. Accordingly, an amount of ₹. 268.99 Lakhs towards proposed dividend (including Dividend distribution tax) recognised as liability in F.Y. 2015-16 as per previous GAAP has been reversed & the same is adjusted in Equity in the F.Y. 2016-17, when distributed.

(vi) Long Term Borrowings:

Under previous GAAP, the Company recognized the processing fee incurred for availing term loan as an expense, in the respective Financial Years.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Under Ind AS, the issue expenses have been net-off against the Loan proceeds and the Effective Interest rates (EIR) have been recomputed based on the cash flows. Interest has been recomputed in line with the Effective Interest rates and accounted under Ind AS. The Processing fee adjusted against retained earnings ₹. 20.24 Lakhs in 2016-17 (01 April, 2016 - ₹. 24.93 Lakhs). Additional Interest expenses recognized under Ind AS, applying EIR for the F.Y. 2016-17 – ₹. 33.50 Lakhs.

(vii) Other Equity:

Note on Ind AS Adjustments which impact the Equity, are provided separately under the respective heads.

(viii) Provisions:

Provisions for warranty have been recomputed by revisiting the assumptions thereupon, the impact of same in the retained earnings is ₹ 148.24 Lakhs for the FY 2016-17 (01 April 2016 – ₹ 488.37 Lakhs).

49 - Reconciliation of Other equity as previously reported under IGAAP to Ind AS

(₹ in Lakhs)

Particulars	As at April 1, 2016	As at March 31, 2017
Balance as per IGAAP	21,748.79	16,198.95
Adjustments towards		
Expected Credit Loss for financial asset	(260.35)	(16.52)
Proposed dividend	268.99	-
Warranty re-measurement	(488.37)	(340.14)
Deferred Tax on account of Ind AS Adjustment	260.10	274.16
Processing fee on availing of loan	24.93	11.66
Re-measurement of other financial asset	(41.22)	(18.49)
	(235.92)	**(89.33)**
Balance as per Ind AS	**21,512.88**	**16,109.62**

50 - Reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS: (Note provided for only material item of reconciliation)

50.1 - Reconciliation of Ind AS Profit and loss Account for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Note No	IGAAP	Ind AS Adjustments	Ind AS
I Revenue from operations	25	44,987.18	-	44,987.18
II Other income	26	64.74	108.93	173.67
III Total Income (I+II)		**45,051.92**	**108.93**	**45,160.85**
IV Expenses				
Cost of materials consumed	27	14,913.03	-	14,913.03
Purchase of Stock in Trade		7,874.10	-	7,874.10
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	1,939.89	-	1,939.89
Excise duty on sale of goods		4,501.26	-	4,501.26
Employee benefits expense	29	5,004.28	42.64	5,046.92
Finance costs	30	2,224.74	121.22	2,345.96
Depreciation and Amortisation	31	1,161.48	-	1,161.48
Other expenses	32	13,108.52	(413.83)	12,694.69
Total expenses (IV)		**50,727.30**	**(249.97)**	**50,477.33**
V Profit / (loss) before exceptional items and tax (III- IV)		**(5,675.38)**	**358.90**	**(5,316.48)**
VI Exceptional items		-	-	-
VII Profit / (loss) before tax (V- VI)		**(5,675.38)**	**358.90**	**(5,316.48)**

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	Note No	IGAAP	Ind AS Adjustments	Ind AS
VIII Tax expense				
- Current Tax	6.2	-	-	-
- Deferred Tax	6.2	(111.01)	(28.57)	(139.58)
Profit/(loss) for the year		**(5,564.37)**	**387.47**	**(5,176.90)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss		**-**	**(42.64)**	**42.64**
Remeasurements of the defined benefit plans Income tax expense on above	6.3	-	14.50	(14.50)
Total		**-**	**(28.14)**	**28.14**
Total Other Comprehensive Income for the year		**(5,564.37)**	**415.61**	**(5,148.76)**

50.2 - Explanations for Reconciliation of Statement of Profit & Loss as previously reported under IGAAP to IND AS

(i) Other Income:

Under the IND AS, financial assets and financial liabilities are measured at fair value on transition date; Impact of subsequent re-measurement of financial asset using effective interest rate is included under Other Income amounting to ₹.108.93 Lakhs

(ii) Employee Benefits/OCI:

As per previous GAAP, gains and losses on re-measurement of net defined benefit liability are recognized in Statement of Profit & Loss, whereas as per Ind AS, the same shall be recognized in Other Comprehensive Income, by accumulating in a separate component of Equity. An amount of ₹. 42.64 Lakhs has been recognized as gain on re-measurement of net defined benefit liability for the F.Y. 2016-17.

(iii) Finance Cost

Under the IND AS, financial assets and financial liabilities are measured at fair value on transition date; Impact of subsequent measurement of financial liability using effective interest rate and unwinding of discount on financial asset is included under finance cost of ₹ 121.22 Lakhs

(iv) Other Expenses

Impact on account of expected credit loss, warranty and cash discount amounting to ₹ 413.88 Lakhs grouped under other expenses.

51 - The previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year classification / presentation.

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

For and On Behalf of the Board
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

S.SUNDAR RAJAN
Partner
Membership No. 211414

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

A.BALASUBRAMANIAN
Director

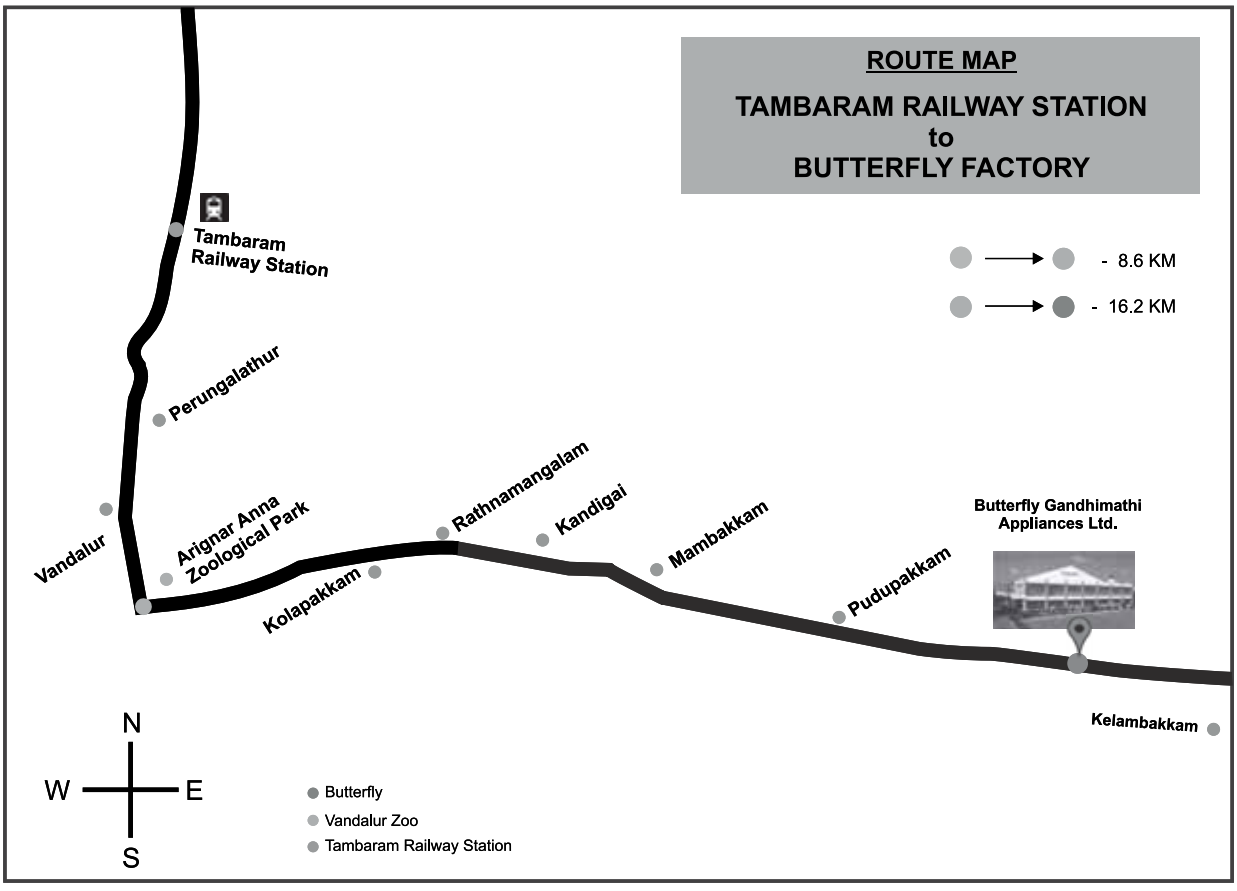
V.M.SESHADRI
Managing Director

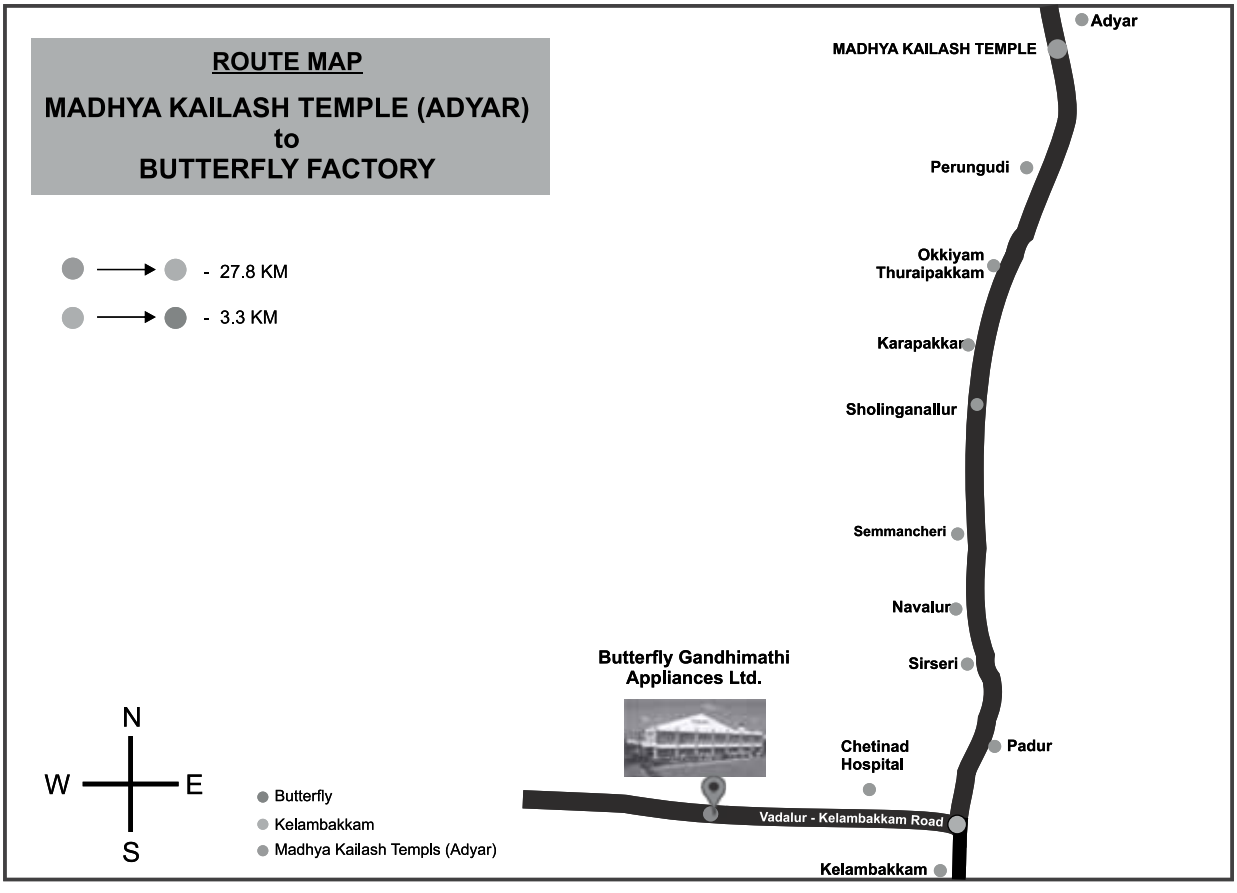
PRAKASH IYER
Chief Executive Officer

Place: Chennai
Date : 28.05.2018

K.S.RAMAKRISHNAN
Company Secretary & GM (Legal)

R.NAGARAJAN
Chief Financial Officer


ROUTE MAP
TAMBARAM RAILWAY STATION
to
BUTTERFLY FACTORY
- 8.6 KM
- 16.2 KM
Tambaram Railway Station
Perungalathur
Vandalur
Arignar Anna Zoological Park
Kolapakkam
Rathnamangalam
Kandigai
Mambakkam
Pudupakkam
Butterfly Gandhimathi Appliances Ltd.
Kelambakkam
N
W
E
S
Butterfly
Vandalur Zoo
Tambaram Railway Station


ROUTE MAP
MADHYA KAILASH TEMPLE (ADYAR)
to
BUTTERFLY FACTORY
- 27.8 KM
- 3.3 KM
Adyar
MADHYA KAILASH TEMPLE
Perungudi
Okkiyam Thuraipakkam
Karapakkar
Sholinganallur
Semmancheri
Navalur
Sirseri
Padur
Chetinad Hospital
Butterfly Gandhimathi Appliances Ltd.
Vadalur - Kelambakkam Road
Kelambakkam
N
W
E
S
Butterfly
Kelambakkam
Madhya Kailash Templs (Adyar)

Dear Shareholder,

Sub: Updating of PAN, Bank account details and email address – Folio No.

As per SEBI circular No.SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20.04.2018, all listed Companies are mandated to update the Permanent Account Number (PAN) and Bank account details of all shareholders who are holding shares in physical form.

As per our records, PAN and Bank details have not updated for the above folio. Hence we request you to send us the enclosed form, duly filled and signed by all shareholders (including joint holders, if any) along with the following documents to the below mentioned address of our Registrar and Share Transfer Agent within 21 days from the date of this letter.

1. Self attested copy of PAN card of all shareholders including joint holders.
2. Original cancelled cheque leaf bearing the name of sole/first named shareholder (or) attested copy of Bank passbook.

GNSA INFOTECH LIMITED
STA DEPARTMENT, NELSON CHAMBERS,
4TH FLOOR, F-BLOCK,
115, NELSON MANICKAM ROAD,
AMINJIKARAI, CHENNAI – 600 029
TAMIL NADU.

Please note the Companies Act 2013, provides for sending all documents, notices convening general meetings, audited financial statements, directors' report, auditors' report and every other document required by law to be annexed or attached thereto etc., in electronic form to the registered e-mail address of the Shareholders. In terms of Regulation 36(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the listed entity shall send soft copies of full annual report to all those shareholder(s) who have registered their email address(es) for the purpose. In order to receive all the correspondence from us by email, you may kindly mention your email ID which will be registered with us as your registered email ID for sending all correspondence by email to you.

We seek your co-operation in this regard

For BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

K.S.RAMAKRISHNAN
COMPANY SECRETARY &
GENERAL MANAGER – LEGAL
Encl:a/a.

Note: Please ignore this letter, in case you had already taken action for updating PAN, Bank Account and Email ID.

Date:
GNSA INFOTECH LTD
Unit: Butterfly Gandhimathi Appliances Ltd
Nelson Chambers, F- Block, 4th Floor,
#115, Nelson Manickam Road,
Aminthakarai, Chennai – 600 029.

Folio No: PAN AND BANK MANDATE UPDATION FORM

SHARE HOLDER (S) NAME	*PAN NO*
1)	
2)	
3)	
PARTICULARS OF BANK ACCOUNT OF FIRST / SOLE SHAREHOLDER	
Name of the Bank	
Branch	
MICR Code (9-Digit Code Number of the Bank and Branch appearing on the MICR cheque issued by the Bank)	
IFSC OF BANK BRANCH	
Account Number	
Mobile No. of First / Sole holder (Phone / Mobile No.)	
Email ID of First / Sole holder for serving all future communications including Annual Report, AGM Notices etc.,	

I/We, hereby, declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsible.

I/ We hereby authorize **M/s Butterfly Gandhimathi Appliances Ltd** to send all correspondence to me/us by e-mail.

Signature of Shareholder (First / Sole)

Signature of Joint Holder 1 (if any)

Signature of Joint Holder 2 (if any)

Encl :

(1) Self attested copy of PAN card of all shareholders including joint holders

(2) Original Cancelled Cheque Leaf bearing the name of Sole / first named shareholder (or) attested copy of Bank passbook*

(3) Shareholders are requested to get the specimen signature attested by their bank manager, in case of any change in their signature.

*In case, the shareholder is not in a position to submit "cancelled cheque leaf", this form has to be certified by concerned Bank Manager as under, by enclosing copy of Bank pass book (1st page and latest transaction page) bearing the name of account holder which should also be certified by the concerned Bank Manager.

Certificate of the Shareholder's Bank
Certified that the particulars furnished above are correct as per our records.

Date: Signature of the Authorised Official of the Bank
(Please affix Bank Seal with Identity Number of Bank Official)

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
CIN No.L28931TN1986PLC012728
Regd.Office:143, Pudupakkam Village, Vandalur-Kelambakkam Road,
Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER A THE ENTRANCE OF THE MEETING HALL

*DP ID Folio No.

*Client ID No. of shares

NAME AND ADDRESS OF THE SHAREHOLDER:

I hereby record my presence at the Thirty First Annual General Meeting of the Company to be held on 11th September 2018 at 11.00 a.m. at its Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu.

……

*Applicable for investors holding shares in electronic form Signature of the shareholder/proxy

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PROXY FORM
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014]
BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
CIN No.L28931TN1986PLC012728
Regd.Office:143, Pudupakkam Village, Vandalur-Kelambakkam Road,
Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu

Name of the Member(s)	Registered Address	Email ID : Folio No: *Client ID: *DP ID:	

I/We, being the member(s) of …… shares of Butterfly Gandhimathi Appliances Ltd, hereby appoint:

Name:	or failing him	or failing him
	Name	Name
Address	Address	Address
Email ID:	Email ID:	Email ID:
Signature:	Signature:	Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on 11th September 2018 at 11.00 a.m. at its Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu and at any adjournment thereof in respect of such resolutions, as are indicated below:

*Applicable for investor holding shares in electronic form
** I wish my above Proxy to vote in the manner as indicated in the box below.

S.No.	Resolutions	Type of Resolution	For Y/N	Against Y/N
A	**ORDINARY BUSINESS**			
1.	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.	Ordinary		
2.	Re-appointment of Mr.V.M. Gangadharam (DIN 00106466), who retiring by rotation	Ordinary		
B	**SPECIAL BUSINESS**			
3.	Approval of Remuneration of Cost Auditors	Ordinary		
4.	Continuation of Directorship of Mr.K.Ganesan(DIN 00102274), Non-Executive Independent Director from 1st April 2019, upto the end of his present tenure i.e. 31st July 2019.	Special		

Signed this ……. day of ……. 2018

Affix Re.1/- Revenue Stamp

……. ……

Signature of Shareholder Signature of Proxyholder(s)

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company or at the office of its Registrar and Share Transfer Agents at GNSA Infotech Ltd, STA Department, Nelson Chambers, 115, Nelson Manickam Road, Aminjikarai, Chennai – 600 029, not less than 48 hours before the commencement of the meeting.

LPG STOVES

SIGNATURE

CURVE

SPECTRA

FRIENDLY

PRISM

BLAZE

TABLE TOP WET GRINDERS

MATCHLESS PLUS

MATCHLESS PRO

RHINO

MIXER GRINDERS

SPECTRA

MATCHLESS

MIXER GRINDERS NEW LAUNCH

TULIP

CYCLONE

PRESSURE COOKERS

STANDARD PLUS

PEARL PLUS

BLUELINE

ELEGANT PLUS

FLASKS

SS VACUUM FLASKS

केंद्रीय अप्रत्यक्ष कर एवं सीमा शुल्क बोर्ड
CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS
वित्त मंत्रालय
MINISTRY OF FINANCE
भारत सरकार
GOVERNMENT OF INDIA

प्राधिकृत आर्थिक संचालक- प्रमाण-पत्र
AUTHORIZED ECONOMIC OPERATOR-T1 CERTIFICATE
(IMPORTER & EXPORTER)

प्रमाण-पत्र संख्या Certificate Number: **INAAACG2038F1F189**

कम्पनी का नाम:
Name of Company:
M/s BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
143, VANDULAR KELAMBAKKAM ROAD, PUDUPAKKAM VILLAGE, KANCHIPURAM/TAMILNADU - 603103

AEO
भारतीय सीमा शुल्क
INDIAN CUSTOMS

अन्तर्राष्ट्रीय आपूर्ति श्रृंखला को सुरक्षित रखने हेतु आपकी प्रतिबद्धता का सम्मान करते हुए एवं डब्ल्यू.सी.ओ. के सेफ फ्रेमवर्क ऑफ स्टैंडर्ड के अनुसरण में सी.बी.आई.सी. के परिपत्र संख्या 33/2016-सीमा शुल्क, दिनांक 22.07.2016 के अन्तर्गत भारतीय सीमा शुल्क अपने प्राधिकृत आर्थिक संचालक (ए.ई.ओ.) कार्यक्रम में आपके प्रतिष्ठित संगठन को प्रमाणित करता है ।
यह प्रमाण-पत्र **01.07.2021** तक वैध है ।

In recognition and appreciation of your commitment to secure the international supply chain and in compliance with the WCO's SAFE Framework of Standards, Indian Customs certifies your esteemed organization in its Authorised Economic Operator (AEO) programme under CBIC Circular Number 33/2016-Customs, dated 22.07.2016.
This certificate is valid upto **01.07.2021.**

(डॉ. तेजपाल सिंह / Dr. Tejpal Singh)
ए. ई. ओ. कार्यक्रम प्रबंधक/ आयुक्त
AEO Programme Manager/Commissioner
अन्तरराष्ट्रीय सीमा शुल्क निदेशालय
Directorate of International Customs

स्थान Place : नई दिल्ली New Delhi
दिनांक Dated: 02.07.2018

If Undelivered, return to:

GNSA Infotech Ltd,
STA Department, Nelson Chambers, F-Block, 4th Floor,
115, Nelson Manickam Road, Aminjikarai, Chennai – 600 029
Tel: 044 – 42962025
Email : sta@gnsaindia.com