



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

July 14, 2015

Listing Compliance Department,
National Stock Exchange Limited,
'Exchange Plaza', Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 05

Dear Sir,

Sub: Clause 31 of Listing Agreement

In compliance with clause 31 of the Listing Agreement, we forward herewith six copies of the Statutory and Directors' Annual Reports along with Form 'A' for the year ended 31st March 2015.

Kindly acknowledge.

Thanking you,

Yours faithfully,
For BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

Executive Director-cum-Company Secretary
Encl: a/a.

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

Phone : +91-44-67415590 / 91 / 93 / 94 CIN No. : L28931TN1986PLC012728.

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

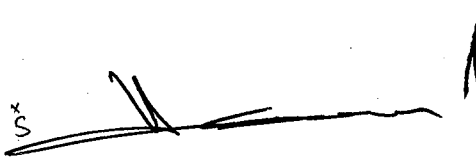
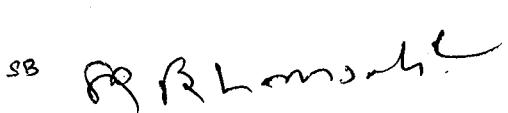
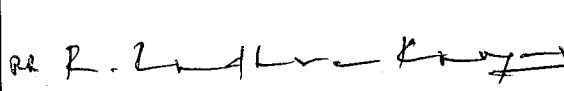
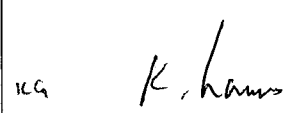
Corporate Office : E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur - 600 130, Kancheepuram District.

Phone : 044 - 4900 5100, 5120 E-mail : butterflyho@butterflyindia.com / butterflyco@butterflyindia.com



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

FORM A

1.	Name of the Company	BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
2.	Audited Financial Statements for the year ended	31 st March 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Quarterly
5.	Signed by :	
	Mr.V.M.Seshadri Managing Director	
	Mr.Sunil Bhansali Chief Financial Officer	
	Mr.R.Rudhrakumar Statutory Auditor	
	Mr.K.Ganesan Chairman-Audit Committee	

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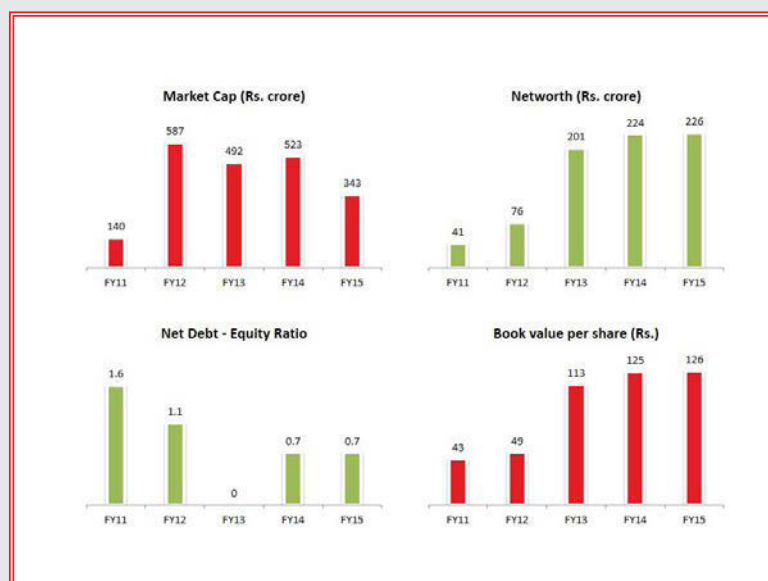
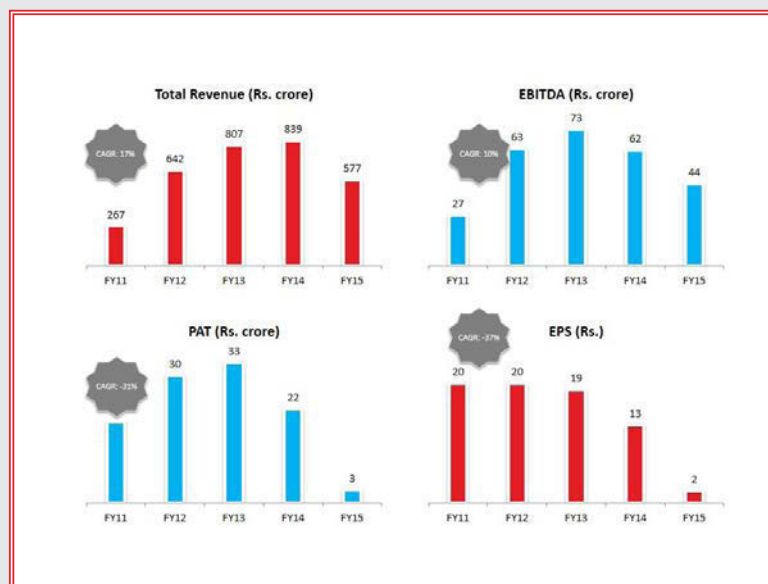
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BUTTERFLY GANDHIMATHI APPLIANCES LIMITED
ANNUAL REPORT - 2015



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

CIN: L28931TN1986PLC012728

ANNUAL REPORT 2015

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BOARD OF DIRECTORS

Mr.V.M.Lakshminarayanan, Chairman & Managing Director
Mr. V.M.Balasubramaniam, Vice Chairman & Director
Mr.V.M.Seshadri, Managing Director
Mr. V.M.Gangadharam, Executive Director
Mr.V.M.Kumaresan, Executive Director-Technical
Mr.D.Krishnamurthy, Executive Director-cum-Company Secretary
Mr.R.S.Prakash, Nominee Director-Equity Investor
Mr. V.R.Lakshminarayanan, Independent Director
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 Additional Director

STATUTORY AUDITORS

M/s. Rudhrakumar Associates,
 Chartered Accountants, 11, Mangesh Street, T.Nagar, Chennai - 600017

REGISTERED OFFICE

143, Pudupakkam Village, Vandalur-Kelambakkam Road,
 Kelambakkam - 603 103, Kancheepuram Dist., Tamil Nadu
 Phone: 044-67415590/92-93
 email:butterflyho@butterflyindia.com

CORPORATE OFFICE

E-34, Second Floor, Rajiv Gandhi Salai
 Egattur Village, Navalur - 600130
 Kancheepuram District, Tamil Nadu
 Ph: 044-49005120/180 email: edcs@butterflyindia.com

website www.butterflyindia.com

REGISTRAR & SHARE TRANSFER AGENT

GNSA Infotech, STA Department, F-Block, 4th floor, No. 115, Nelson Manickam Road, Aminjikarai,
 Chennai - 600029, Tamil Nadu, Ph. 044-42962025 email: sta@gnsaindia.com

BANKERS

*State Bank of Travancore *Axis Bank *IDBI Bank *State Bank of India *Kotak Mahindra Bank

CHAIRMAN'S MESSAGE

Dear Fellow Shareowners,

The Global Economy witnessed continued pain and economic uncertainty in fiscal 2015. While there were green shoots of recovery in some markets the differentiation across various regions continues to intensify. India cannot be immune to the effects of global uncertainty as the increasing scale of external trade and appetite for essential commodities has resulted in greater overall integration with the global economy.

Closer home, there were some interesting developments during the year. A new government at the start of the fiscal led to renewed hope and optimism for economic growth. The RBI did see some progress in its prolonged war on inflation which allowed it to commence the much awaited reversal of the interest rate cycle. As the year progressed, the Government undertook some refreshing steps in areas of foreign policy, defence, health and sanitation and auctioning of natural resources. All of this has helped to arrest the severe deterioration in the trajectory of economic growth in recent years. However, much more remains to be done to enable a full-fledged revival.

For the Consumer Durables sector, the overall consumer sentiment and on-ground activity remained muted during the year led by factors such as weaker consumer confidence, delayed monsoon and unseasonal rains, lower growth in rural markets, regional political instability and muted real growth in disposable incomes.

The combination of these factors impacted the sector dynamics in FY2015 and resulted in a subdued financial performance for your Company. Overall, total revenues stood at Rs. 577 crore (gross) for the year. The revenues from the Government order sales were at Rs. 92 crore in FY15 and this is not comparable with the revenues of Rs. 331 crore (gross) last year, as the awarding of the FY15 order was deferred this year and combined with the FY16 order. The order was finally awarded in the fourth quarter of the year, i.e., in the month of January 2015, leaving little scope to book significant revenues in FY2015

Despite the weak market conditions during the year, your Company continued to roll out initiatives to pave the way for its long-term growth prospects.

Increased marketing activities, brand awareness and wider market penetration were few of the strategic initiatives undertaken by the Company during the fiscal. In our endeavor to improve market spread to the farthest corners of India, we enhanced the relationship with existing distributors and extended our reach into modern retail.

Your Company has also made enhancements to its workforce to bring in specialized professionals to undertake transformation initiatives within the Company. There has also been a concentrated focus to increase efficiencies in the manufacturing process and improve the overall operating profile. The initial results are visible in the year-on-year reduction in absolute working capital position.

We strongly believe in the potential for exponential growth in our sector and have continued to strengthen prospects for long-term growth by expanding market reach, extending product lines and increasing focus towards brand building and brand development activities. We will continue to implement this strategy rapidly despite the challenging environment in order to be adequately poised and prepared to capture meaningful upsides from the turnaround in the domestic economy. We firmly believe that these initiatives will lead to a stronger and more sustainable future for the Company over the long term.



Over the last five years, the Company has grown by leaps and bounds, encapsulated by its progress from Rs. 267 crore of turnover (gross) in FY11 to Rs. 577 crore (gross) in FY15, translating into CAGR of 17%. We believe FY15 represents a slight pause in this journey of growth and remain confident in the potential of our sector over the medium to long-term. The prospects of the appliances industry are intertwined with the improvement of standard of living of the citizens of the country and we expect market volumes and overall demand to recover meaningfully in the years ahead and continue the growth trend of the last few years.

While surviving an environment of high volatility marked by increasing competitive pressures and rapidly evolving market demands, the Company has managed to create a niche for itself in high quality premium products and deliverance of unparalleled service. Our offerings such as reasonably-priced efficient products, constant product upgradation with latest technology and improved distribution network has provided a strong foundation to the Company's growth. We continue to build on this momentum as we enter into the next fiscal with a further roll-out of strategic initiatives, introduction of new high-potential products, grounded by passionate employees and a stellar management.

Finally, I would like to express my appreciation to all our employees, for their contribution towards the performance of Butterfly Gandhimathi Appliances. I would also like to extend my gratitude towards our Customers, stakeholders, and suppliers for their loyalty and trust in us. And to all of our shareholders, I would like to express my sincere appreciation for their continued encouragement and support

Yours sincerely,
Chairman,
Butterfly Gandhimathi Appliances Ltd

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty Eighth Annual General Meeting 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 Thursday, 20th August 2015 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

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

“RESOLVED THAT the Audited Balance Sheet as on 31st March, 2015 and the Profit and Loss Account and the Cash Flow Statement for the financial year ended on that date and the Report of the Board of Directors and the Auditors thereon, be and are hereby approved and adopted”.

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

“RESOLVED THAT Mr.V.M.Seshadri (DIN 00106506), 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.”

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

“RESOLVED THAT Mr.V.M.Gangadharam (DIN 00106466), Director of the Company, who retires by rotation at this meeting pursuant to the provisions of Section 152 (6) (c) of the Companies Act 2013, being eligible for reappointment be and is hereby appointed as Director of the Company.”

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

“RESOLVED that in partial modification of Resolution No. 4 passed at the 27th Annual General Meeting of the Company held on 31st July, 2014 and pursuant to the provisions of Section 139(2) and other applicable provisions, if any, of the Companies Act, 2013 (“New Act”) and the rules made thereunder, or any statutory modifications or re-enactment thereof and all other applicable laws for the time being in force, if any, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company in relation to the appointment of M/s. Rudhrakumar Associates, Chartered Accountants, [FRN 007033 S], Chennai as Statutory Auditors of the Company from the conclusion of this twenty eighth Annual General Meeting till the conclusion of the thirtieth Annual general Meeting of the Company.”

SPECIAL BUSINESS

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

“That pursuant to the provisions of Section 149, 150, 152 and the second proviso under Section 149(1)(b) read with Schedule IV and all other applicable provisions of Companies Act 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the listing agreement, Mrs.Maheshwari Mohan (DIN No.07156606) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 31.3.2015 and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice under section 160 of the Act from a Member proposing her candidature for the Office of Director, be and is hereby appointed as a Woman Independent Director on the Board of the Company, not liable to retire by rotation and to hold office for a consecutive period of five years, with effect from 21.8.2015 to 20.8.2020 on the terms and conditions as stipulated in Section 149 (8) read with Schedule IV to the Act.”

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

A. That pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 (‘the Act’), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Act, the consent of the Company be and is hereby accorded for the reappointment of Mr.V.M.Kumaresan, [holding Director Identification No.00835948] (‘Mr.Kumaresan’) as the Executive Director-Technical (‘ED-Technical’) of the Company for a period of 5 (five) years with effect from 1st June, 2016, whose period of office shall be subject to retirement by rotation of Directors, on the following terms and conditions :

Remuneration: Subject to the ceiling limits laid down in Section 197 of the Companies Act, 2013, remuneration by way of salary, perquisites and commission shall not exceed the following limits, namely:

I. SALARY AND PERQUISITES

1. Salary	Rs.33,60,000/- per annum or Rs.2,80,000/- per month, including dearness and all other allowances
2. Medical	One month's salary in a year or three months' salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Airfare to any place in India or abroad once a year.
<i>Note:</i> For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
4. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.
5. Annual Leave and leave encashment Benefits	As per rules of the Company
<i>Note 1:</i> Perquisites I (2) to (5) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.	
<i>Note 2:</i> The Board of Directors will have the liberty to refix individual ceilings under each of the above heads or to allow any other perquisite as may be permitted by the Central Government, however so as not to exceed 20% of the annual salary.	
6. Other Benefits: a. Provident Fund Contribution b. Superannuation Contribution c. Gratuity	Subject to a ceiling of 12% of his salary Subject to a ceiling of 15% of his salary Not exceeding half a month salary for each completed year of service subject to a ceiling of Rs.10 lakhs.
7. Encashment of Leave at the end of the tenure.	As per rules of the Company
<i>Note:</i> Contribution to Provident Fund, Superannuation fund, Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of the ceiling on remuneration specified in Part II of Section II of Schedule V to the Companies Act, 2013	
8. Car	Use of Company maintained car with driver for official purposes.
9. Telephone/Mobile Phone	Telephone at residence and Mobile phone for official use.
<i>Note:</i> Provision of a car for use on Company Business and Mobile Phone/Telephone for official use will not be considered as Perquisites.	

Where in any financial year during the tenure of Mr.V.M.Kumaresan as Executive Director-Technical of the Company has no profits or its profits are inadequate, the Salary and Perquisites stated vide I (1) to (9) above will be paid as minimum remuneration to him, subject to the ceiling prescribed under Schedule V, Part II, Section II (A) of the Companies Act 2013. In case such minimum remuneration exceeds the above limits, necessary application will be made to the Central Government for approval.

II. COMMISSION

In addition to his salary and perquisites stated vide I(1) to (9) above, where the company earns profits in a financial year, Mr.V.M.Kumaresan together with the four other managerial personnel viz., Messrs. V.M.Lakshminarayanan, V.M.Balasubramaniam, V.M.Seshadri and V.M. Gangadharam shall be entitled to receive commission on net profits. However, the combined aggregate limit of salary/perquisites/commission paid to all the managerial personnel of the Company shall not exceed 10% of net profits, as prescribed under Section 197 of the Act read with Part II, Section II (A) of Schedule V thereto or any statutory modification(s) or re-enactment thereof. The quantum of commission to be paid to each of the above managerial personnel will be determined as agreed amongst them and approved by the Nomination and Remuneration Committee/Board of Directors.

III. REIMBURSEMENT OF EXPENSES:

a. Entertainment expenses:

Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

b. Travelling expenses:

Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

B. That the Board of Directors of the Company (on the recommendations of the Nomination and Remuneration Committee) be and is hereby authorised to revise, amend, alter and vary the remuneration and other terms and conditions of the appointment of Mr. Kumaresan, in such manner as may be permissible in accordance with the provisions of the Act or any modification or re-enactment thereto (which shall not exceed Rs.42,00,000/- in a financial year) and as may be agreed to by and between the Board of Directors and Mr. Kumaresan, without any further reference to the shareholders in General Meeting.

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

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

“(i) That pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2016, be paid the remuneration as set out in the explanatory statement annexed to the Notice convening this meeting.

(ii) That the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“That subject to the provisions of Section 14, 15 and other applicable provisions, if any, of the Companies Act 2013 (‘the Act’) and the Rules made thereunder or any statutory modifications or re-enactment thereof and all other applicable laws for the time being in force, if any, Article 117 of the Articles of Association (AoA) of the Company be and is hereby amended by replacing the existing article 117 of the AoA of the Company with the following clauses:

“Article 117: Notwithstanding the relevant provisions of the Act, the Board shall have power to appoint a Managing Director or a whole-time Director or one from amongst themselves as the Chairman of the Company; the Board shall also have power to appoint one or more Managing Directors, or whole-time Directors, as the case may be, and the terms of office of Chairman and such key management persons shall be determined by it.”

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

“That in partial modification of the Special Resolution passed at the Annual General Meeting of the Company held on 31st July 2014, the consent of the Company be and is hereby accorded under the provisions of Section 180 and other applicable provisions, if any, of the Companies Act 2013 to the Board of Directors to borrow from time to time all such sums of monies as it may deem requisite for the purpose of business of the Company, notwithstanding that monies to borrow together with the monies already borrowed (apart from temporary loan obtained from bankers in the ordinary course of business) will exceed in the aggregate paid-up capital and free reserves, i.e, to say reserves not set apart for any specific purpose, provided however, that the total amount upto which monies may be borrowed by the Directors shall not exceed the sum of Rs.160 crores (Rupees One hundred sixty crores only).”

Navalur – 600 130
Date: 10.06.2015

By Order of the Board
D.Krishnamurthy
Executive Director-cum-Company Secretary

IMPORTANT NOTES

1. The Register of Members and the Share Transfer Books of the Company will remain closed from 17.8.2015 to 20.8.2015 (both days inclusive) for annual closing.
2. The Explanatory Statement pursuant to Section 102 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 notarially certified 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, excepting on Saturdays and will also be available for inspection at the Annual General Meeting.
5. Brief resume of all Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas, names of Companies in which they hold Directorships and Memberships/Chairmanships of Board/Committees, shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are annexed hereto. The concerned Directors have furnished the requisite declarations for their appointment/reappointment.
6. Members/Proxy holders must bring the attendance slip (attached herewith) to the meeting and hand it over at the entrance of the meeting hall duly signed.
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. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012 (IEPF Rules) which is applicable to the Company. The objective of IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post, etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends for financial years from 2010-2011 as on the date of the twenty seventh Annual General Meeting held on 31st July 2014 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 unencashed 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. 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.

14. Electronic copy of the Notice of the twenty eighth 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 twenty eighth 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.
15. Members may note that the Notice of the Twenty Eighth Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website www.butterflyindia.com for their download. The physical copies of the above documents will also be available at the Company's registered office for inspection during normal business hours on working days. 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 sent request to the Company's investor email ID edcs@butterflyindia.com.

16. 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) and clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the twenty eighth 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 Monday 17.8.2015 (9.00 a.m.) and ends on Wednesday 19.8.2015 (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 14.8.2015, 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 14th August 2015. 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., 14th August 2015 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.
7. Select 'EVEN' of Butterfly Gandhimathi Appliances Limited. Members can cast their vote online from 17th August 2015 (9.00 a.m) to 19th August 2015 (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 elawise@gmail.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.
- Please note that if you have opened 3-in1 account with ICICI Group i.e., bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-voting website of NSDL through their website www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.

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., 14.8.2015.
 - (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.K.J.Rebello, Advocate, Madras High Court (Bar Council Enrolment No.BCM359/69) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting 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.
17. This Notice has been updated with the instructions for voting through electronic means as per the Amended Rules 2015.
18. Members/Proxies are requested to bring their copies of the Annual Report to the meeting.
19. The Company's equity shares are listed with Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd.
20. 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.
21. 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 20.8. 2015. 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 Corporate 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. 5 – Appointment of Mrs.Maheshwari Mohan as an Independent Woman Director:

At the meeting of the Board of Directors of the Company held on 31.3.2015, Mrs.Maheshwari Mohan was appointed as an Additional Director and woman Director of the Company with effect from the said date, pursuant to the provisions of Section 161 (1) read with the second proviso to Sub-Section (1) (b) of Section 149 of the Companies Act, 2013 ('the Act') and clause 49 (II)(A) (1) of the Listing Agreement with the Stock Exchanges, Mrs.Maheshwari Mohan will hold office up to the conclusion of ensuing Annual General Meeting of the Company.

Mrs.Maheshwari Mohan, aged 46 years, is an Advocate with an experience of over 25 years, is practicing in the Madras High Court. She is a trained mediator, certified by Indian Institute of Arbitration and Mediators, Cochin, accredited to the International Mediation Institute, The Hague, Netherlands. She has core competencies in Civil, Criminal, Corporate, FEMA, IPR, Cyber, Trade Marks and Copy Rights Laws.

Pursuant to the second proviso to Sub-Section (1) (b) of Section 149 of the Act and clause 49 (II)(A)(1) of the Listing Agreement with the Stock Exchanges, it is mandatory for the Company to appoint at least one Woman Director.

Mrs. Maheshwari Mohan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

In terms of Section 149(6) and any other applicable provisions of the Act, Mrs. Maheshwari Mohan being eligible, offers herself for appointment, as a Woman Independent Director for a term of five consecutive years with effect from 21.8.2015 to 20.8.2020.

The Company has received a Notice in writing from a Member, along with the deposit of requisite amount under section 160 of the Act proposing the candidature of Mrs. Maheshwari Mohan for the Office of Director of the Company.

The Nomination and Remuneration Committee, at its meeting held on 10.6.2015 observed that although Mrs. Maheshwari Mohan was appointed pursuant to the second proviso to Section 149(1) (b) as a Woman Additional Director, by virtue of her fulfilling the conditions, stipulated vide Section 149 (6) of the Companies Act 2013, Rule 5 of Companies (Appointment and Qualification of Directors) Rules 2014 and Clause 49 (II)(B) of the Listing Agreement with the Stock Exchanges on Corporate Governance, she is also eligible to be an Independent Director. Accordingly, they have recommended to the Board her appointment as a Woman Independent Director. The Company has also received a declaration from Mrs. Maheshwari Mohan that she meets the criteria of independence as per the aforesaid provisions.

The Board of Directors, at its meeting held on 10.6.2015, on the recommendation of the Nomination and Remuneration Committee, subject to approval of the members at the ensuing Annual General Meeting, approved her appointment as a Woman Independent Director, as she is independent of the management and possesses appropriate skills, experience and knowledge.

Keeping in view her vast experience and knowledge, it will be in the interest of the Company that Mrs. Maheshwari Mohan is appointed as a Woman Independent Director of the Company.

Copy of the draft letter for appointment of Mrs. Maheshwari Mohan as a Woman Independent Director and setting out the terms and conditions for the said appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays.

The Board recommends the resolution in relation to appointment of Mrs. Maheshwari Mohan as a Woman Independent Director, for the approval of the members.

This Explanatory Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges with which the Company's equity shares have been listed.

MEMORANDUM OF INTEREST:

Save and except Mrs. Maheshwari Mohan, being the appointee, no other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

Item No.6 - Reappointment of Mr.V.M.Kumaresan ("Mr.Kumaresan") as Executive Director-Technical:

Mr. Kumaresan, was earlier appointed by the members as Whole Time Executive Director-Technical for a period of three years with effect from 1st June 2007 at the Annual General Meeting held on 28.12.2007 is continuing to hold the said office. He has richly contributed to the impressive growth of the Company throughout the past eight years. In connection with supplies of Table Top Wet Grinders against the tender of Tamil Nadu Civil Supplies Corporation, Mr. Kumaresan developed the special dies, moulds and tools conforming to the prescribed tender specifications at a record time. The quality of supplies made by the Company against this tender for the past four years has won the appreciation of TNCSC. He has played a pivotal role throughout in the selection of appropriate new machinery and balancing equipment, facilitating enhanced productivity with reduction in man power. Mr. Kumaresan is also responsible for having master-minded a world class design studio with high calibre foreign nationals for developing latest international designs for the Company's products.

At the Annual General Meeting of the Company held on 31st August 2012, Mr. Kumaresan was reappointed by the members through a Special Resolution as Executive Director-Technical of the Company, for a period of three years commencing from 1st June 2013 to 31st May 2016 on the terms and conditions mentioned vide resolution being item No.15 of the Notice convening the said

Annual General Meeting. The terms and conditions of his proposed reappointment vide item No.6 of the Notice convening this meeting is same as approved by the Members at the Annual General Meeting held on 31st August 2012.

The Nomination and Remuneration Committee and Board of Directors of the Company, at their meetings held on 10.6.2015, subject to approval of the members at the forthcoming annual general meeting, approved the reappointment of Mr.Kumaresan as Whole Time Executive Director - Technical of the Company for a further period of five years with effect from 1.05.2016 on the same remuneration as approved by the members at the Annual General Meeting of the Company held on 31.08.2012.

In view of his high and rare experience in the industry and impressive performance for the Company's growth, your Directors are of the opinion that the continuance of Mr.Kumaresan as Whole Time Executive Director - Technical will be highly beneficial to the Company.

In the event of loss, absence or inadequacy of profits in any financial year during the currency of tenure of Mr.Kumaresan, the remuneration stated in the resolution being Item No.6 of the Notice convening the meeting shall be the minimum remuneration payable to him. However, any excess over the limits on minimum remuneration prescribed under the Companies Act 2013, read with Part II, Section II (A) of Schedule V to the said Act shall be payable to Mr.Kumaresan with the approval of the Central Government, if so required.

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

The Board recommends the resolution in relation to reappointment of Mr.Kumaresan as Executive Director-Technical of the Company for the approval of the Members.

This Explanatory Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges with which the Company's equity shares have been listed.

MEMORANDUM OF INTEREST:

Mr.Kumaresan may be deemed to be concerned or interested in the resolution, besides his relatives viz., Messrs.V.M.Lakshminarayanan, Chairman & Managing Director, V.M.Balasubramaniam, Managing Director, V.M.Seshadri, Managing Director and V.M. Gangadharam, Executive Director. No other Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution.

Item No. 7 - Remuneration of Cost Auditors:

The Board, on recommendation of Audit Committee, has approved the appointment of M/s.S.Mahadevan & Co., Cost Accountants (Regn.No.000007), Chennai as Cost Auditors, to conduct the Audit of the cost records of the Company for the financial year ending 31st March 2016, and has also approved a fee of Rs.1.75 lakhs plus service tax and reimbursement of out of pocket expenses towards their professional services.

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

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out in Item No.7 of the Notice for ratification of the remuneration as above, payable to the Cost Auditors for the financial year ending on 31.3.2016.

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, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No.8 – Amendment to the Articles of Association of the Company:

The existing Article 117 of the Articles of Association of the Company reads as follows:

“Subject to the provisions of the Act, the Board shall have power to appoint from among themselves a Chairman or one or more Managing Directors or Whole time Directors, as the case may be and the terms of office of such persons shall be determined by the Board.”

The senior-most Managing Director of the Company, now designed as Chairman & Managing Director, viz., Mr.V.M.Lakshminarayanan, was originally appointed as Chairman of the Company by the Board of Directors at its meeting held on 30.6.2005, while he was a Non-Executive Director. The Board deems it fit that Mr.Lakshminarayanan should continue as the Chairman of the Company.

In terms of the first proviso to section 203(1) of the Companies Act, 2013 (“New Act”), an individual to be appointed as chairman of the company as well as managing director or chief executive officer of the company at the same time after the commencement of the New Act shall fulfil either of the following conditions:

- (i) the Articles of Association of the company otherwise provides; or
- (ii) the company carries multiple businesses.

In order to include the aforesaid provision of the New Act, the Company is proposing to carry out necessary amendment in its Articles of Association to bring it in harmony with the provisions of Section 203 of the New Act. Besides this, no other change in the existing Article 117 of the Articles of Association is contemplated.

The said resolution is placed before the shareholders for their approval, and the Board recommends passing of the resolution as a special resolution.

MEMORANDUM OF INTEREST:

Mr.V.M.Lakshminarayanan, Chairman & Managing Director is interested or concerned in the resolution. Messrs.V.M.Balasubramaniam, Managing Director, V.M.Seshadri, Managing Director, V.M. Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical, V.M.L.Karthikeyan, Executive Vice President - Marketing, V.M.L.Senthilnathan, Senior General Manager – Research & Development and V.M.L.Ganesan, General Manager-Finance, who are relatives of Mr.Lakshminarayanan are also deemed to be concerned or interested in the resolution. No other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

Item No.9 - Board of Directors’ power to borrow money :

At the Extraordinary General Meeting of the Company held on 15th October 2011, Members, through an Ordinary Resolution accorded approval under the provisions of Section 293(1)(d) of the Companies Act 1956 to the Board of Directors to borrow from time to time all such sums of monies as it may deem requisite for the purpose of business of the Company, notwithstanding that monies to borrow together with the monies already borrowed (apart from temporary loan obtained from bankers in the ordinary course of business) will exceed in the aggregate its paid up capital and free reserves, i.e., to say reserves not set apart for any specific purpose provided, however, that the total amount upto which monies may be borrowed by the Directors shall not exceed the sum of Rs.120 crores.

Ministry of Corporate Affairs (MCA), vide circular No.4/2014 issued on 25.3.2014 clarified that the resolution passed under section 293 of the Companies Act 1956, prior to 12.9.2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the Company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act 2013 (“the Act”) for a period of one year only from the date of notification of section 180 of the Act, i.e, till 11.9.2014.

Accordingly, at the Annual General Meeting of the Company held on 31.7.2014, Members approved renewal of the above borrowings limit through a special resolution pursuant to the provisions of Section 180 of the Act.

There has been considerable growth in the sales turnover and profits of the Company in the last four years, after passing the resolution on 15.10.2011. Having regard to the Company’s future projections for higher production and sales turnover and plans for modernization of the existing plant and machinery for reduction of man power, it may become necessary for the Board to borrow additional finance from the banks/financial institutions in the form of term loans. Keeping in view such necessity for additional funds, the proposed resolution has fixed the maximum amount that could be borrowed by the Board of Directors at Rs.160 crores (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business).

The Board recommends 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, in any way, concerned or interested, financially or otherwise, in the resolution.

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

The General Information to be given to the shareholders in connection with the aforesaid reappointment of Mr.V.M.Kumaresan as Executive Director – Technical and the remuneration payable to him:

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

II. Information about the Appointee:

1.	Background details	Mr.V.M.Kumaresan possesses sound technical knowledge in deep drawing process, sheet metal forming, making tools and dies and has dedicated about 34 years in Research and Development and innovation of new products. He was initially appointed as Wholtime Director-Technical at the Annual General Meeting of the Company held on 30.9.2000. Consequent to his becoming Managing Director of a Private Limited Company promoted by him, he resigned with effect from 29.10.2004. However, in the interest of future growth of the Company, he was again appointed as Executive Director-Technical for a period of three years from 01 st June, 2007 and reappointed for two further terms of three years each, i.e., from 01 st June, 2010 to 31 st May, 2013 and 1 st June 2013 to 31 st May 2016, respectively at the Annual General Meetings of the Company held on 3.11.2010 and 31.8.2012.
2.	Past remuneration	As Executive Director –Technical of the Company for the period from 01.06.2013, members approved salary of Rs.2,80,000/- per month i.e., Rs.33,60,000/- per annum and perquisites restricted to an amount equal to 20% of his annual salary, payable to Mr.Kumaresan.
3.	Recognition or awards	Invention of three stone Table Top Wet Grinder, which has since been patented by the Company.
4.	Job Profile and his suitability	Mr.Kumaresan as the Executive Director-Technical of the Company is the functional Head of its R&D and Design wings. In view of his rich experience of over three and a half decades in this area, Mr.Kumaresan is ideally suited to hold the position of Executive Director-Technical.

5.	Remuneration proposed	As set out in Resolution No.6 of the Notice convening this Annual General Meeting, which is same as the remuneration paid to him from 1.6.2013, as approved by the Members at the Annual General Meeting of the Company held on 31.8.2012.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	In the organized sector of home appliances industry manufacturing similar products there are only a few limited Companies with similar synergies. In comparable Companies like TTK Prestige Ltd and Hawkins Pressure Cookers Ltd, the remuneration package for similar position is much higher than the remuneration proposed to be paid to Mr.Kumaresan
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr.Kumaresan has no direct or indirect pecuniary relationship with the Company excepting his remuneration and reimbursement of out of pocket expenses incurred wholly and exclusively for the Company's business. Mr.Kumaresan is related to Messrs.V.M. Lakshminarayanan, Chairman & Managing Director, V.M. Balasubramaniam, Vice Chairman and Managing Director, V.M.Seshadri, Managing Director and V.M. Gangadharam, Executive Director.

III. Other Information:

1. Reasons of loss or inadequate profit:

The Company was earning handsome profits from financial year 2010-11 onwards up to financial year 2013-14. However, due to sluggish market conditions and also absence of Tamil Nadu Government Order for supply of table-top wet grinders for most part of the year under review, the Company's turnover and profits came down drastically as compared to the immediately preceding years.

2. Steps taken or proposed to be taken for improvement:

During financial year 2015-16, the Company has unexecuted Tamil Nadu Government Order to the tune of Rs.418 crores. The Company is also taking several initiatives to regain its growth momentum, both in terms of sales turnover and profitability.

3. Expected increase in productivity and profits in measurable terms:

An increase in revenues of approx. 67% over the financial year under review is projected for financial year 2015-16, with substantial increase in profit.

BRIEF DETAILS OF DIRECTOR SEEKING APPOINTMENT AS WOMAN INDEPENDENT DIRECTOR IN ANNUAL GENERAL MEETING SCHEDULED TO BE HELD ON 20.08.2015

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Maheshwari Mohan
Date of Birth	30.07.1968
Date of Appointment	31.03.2015
Expertise in specific Functional areas	LEGAL: Civil, Criminal, Corporate & FEMA, IPR & Cyber, Commercial Firms – Trade Marks & Copy rights, Consumer, Real Estate, Agreements, MOU's, Arbitrations, Tribunals, Sales Tax, Insurance, Company Law, Employment, Industrial Disputes, Societies, Trust, Association, Legal Research & Documentation, Non-disclosure agreements, non-circumvention.

Qualification	B.A., LLB., LLM
List of Outside Directorship held	Nil
Chairman/Member of the Board of Directors of the Company	Nil
Chairman/Member of the Committees of Directors of other Companies in which she is a Director Audit Committee Nomination & Remuneration Committee Stakeholders' Grievance Committee	Nil
Shareholding if any, in the Company	Nil

DETAILS OF DIRECTOR RETIRING BY ROTATION:

Name of the Director	V.M.Seshadri	V.M.Gangadharam
Date of Birth	14.11.1952	18.01.1955
Date of Appointment	01.06.2011	01.10.1994
Expertise in specific Functional area	Promoter-Entrepreneur. 'Hands-on' experience of over four decades in all key management areas of the home appliances industry.	Promoter-Entrepreneur. 'Hands-on' experience of over four decades in all key management areas of the home appliances industry.
Qualification	Matriculation	Matriculation
List of Outside Directorship held	V.M.Chettiar & Sons India Pvt.Ltd.	LLM Appliances Ltd. V.M.Chettiar & Sons India Pvt.Ltd. Butterfly Quality Centre Pvt.Ltd.
Chairman/Member of the Board of Directors of the Company	Member of the Board	Member of the Board
Chairman/Member of the Committees of Directors of other Companies in which he is a Director Audit Committee Nomination & Remuneration Committee Stakeholders' Grievance Committee	Nil	Nil
Shareholding if any, in the Company	1251673 (7%)	494083 (2.76%)

REPORT BY BOARD OF DIRECTORS TO SHAREHOLDERS

Your Directors have pleasure in presenting this twenty eighth Annual Report together with the Audited Statement of Accounts for the financial year ended on 31st March 2015.

FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March 2015 is summarised below:

	Financial Year ended on	Financial Year ended on
	31.03.2015	31.03.2014
Revenue from Operations (Gross)	57,719.28	83,886.82
LESS: Excise Duty	4,821.30	7,468.69
Revenue from Operations (Net)	52,897.98	76,418.13
Other Income	435.43	654.68
Operating Expenditure	53,751.77	78,388.68
Operating Profit	3,967.51	5,498.14
Profit before Depreciation and Finance cost	4,402.94	6,152.83
Finance Cost	2,956.84	2,209.60
Depreciation	1,023.62	509.26
Profit before Tax	422.48	3,433.97
IT/Deferred Tax for the current year	139.19	1,192.55
Profit after Tax	283.29	2,241.42

Against Rs.303.2 crores (net) Tamil Nadu Government sale in financial year 2013-14, the sale for financial year 2014-15 was only Rs.84.3 crores (net) due to late release of purchase order by the Government. Added to this, due to sluggish market condition, the branded product sales came down during the financial year 2014-15, as compared to the previous year. The combined effect of these factors resulted in lower revenue from operations and also lower profits for financial year 2014-15.

DIVIDEND:

Considering the marginal profit after tax earned by the Company, the Board of Directors does not recommend any dividend for the financial year under review.

CURRENT YEAR'S OPERATIONS:

In January 2015, the Company had bagged orders worth Rs.510 crore (gross) from the Tamil Nadu Government for supply of Table Top Wet Grinders during FY 2014-15/2015-16. Against this, purchase orders for supply of materials worth Rs.255 crores have been released in the first phase. After supply of Rs.92.12 crores made during financial year 2014-15, supply of balance materials worth Rs.162.88 crores is expected to be completed by June 2015. The Company is expecting release of the second phase Purchase Order of the Tamil Nadu Government shortly. Company has initiated special steps for improving sale of branded products from the second quarter of the current financial year. This together with the economy measures adopted by the Company for cost reduction should bring better performance results for the current financial year.

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.

CREDIT RATING:

The Company's financial discipline and prudent is reflected in the following CRISIL's credit ratings on the Company's bank facilities.

Long Term Rating	CRISIL A-/Stable (Reaffirmed)
Short Term Rating	CRISIL A2+ (Reaffirmed)

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgements 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 and loss 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; and
- (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.
- (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.

CORPORATE GOVERNANCE:

The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. Your Company conforms to the prescribed norms of Corporate Governance.

In accordance with the Listing Agreement with the Stock Exchanges, a Compliance Report on Corporate Governance along with a Certificate of Compliance from the Auditors forms part of this report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an 'arm's length' basis. The Company had not entered into any contract/arrangement/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Company enjoys distinct advantages in the form of competitive prices, product quality, economy in transportation cost and lower inventories by virtue of the existing related party transactions.

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

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 www.butterflyindia.com.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls commensurate with its size and operations.

DIRECTORS:

Mrs. Maheshwari Mohan (DIN 07156606) who was appointed as Additional Director at the meeting of the Board held on 31.3.2015 will hold office up to the conclusion of the ensuing Annual General Meeting of the Company.

Keeping in view her vast experience as a Lawyer and knowledge in legal matters, it will be in the interest of the Company that Mrs. Maheshwari Mohan, who meets the criteria of independence as per the relevant provisions and is independent of the management, your Directors recommend her appointment as a Woman Independent Director of the Company.

The present tenure of Mr. V.M. Kumaresan, Executive Director – Technical (DIN 00835948) ends on 31.05.2016. The Nomination and Remuneration Committee and the Board of Directors at their meetings held on 10.6.2015 have recommended his reappointment without any change in his existing remuneration for a further period of five years w.e.f. 01.06.2016 to 31.5.2021.

Messrs. V.M. Seshadri (DIN: 00106506) and V.M. Gangadharam (DIN: 00106466), Directors retire by rotation from the Board pursuant to the provisions of Section 152 (6) (c) of the Companies Act 2013 and, being eligible, offer themselves for reappointment.

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) of the Act.

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 Clause 49(II)(B)(5) and Clause 49 (IV) of the Listing Agreement, the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director and for evaluating performance of the Directors and Key Management Personnel, which can be viewed at the Company's website www.butterflyindia.com.

PROGRAMME FOR FAMILIARISATION OF INDEPENDENT DIRECTORS:

The details of programme for familiarization of independent directors of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at its link www.butterflyindia.com.

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.

PERFORMANCE EVALUATION OF DIRECTORS:

The Nomination and Remuneration Committee of the Company has evaluated performance of every Director of the Company for the financial year under review.

The independent Directors of the Company held a separate meeting 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, 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.

AUDITORS AND AUDITORS REPORT:

Provisions of Rule 6 (3), illustration 1, of the Companies (Audit and Auditors) Rules 2014, explaining rotation in case of individual auditor, restrict the maximum number of consecutive years for which the Auditors, who were Statutory Auditors of the Company for more than five years prior to commencement of provisions of Section 139(2) of the Companies Act 2013 (the New Act) to three years. Considering that M/s. Rudhrakumar Associates, Chartered Accountants (FRN.007033 S), Chennai, were Auditors of the Company for more than five years prior to commencement of the New Act, in partial modification of the resolution, being resolution No.4, passed at the Annual General Meeting of the Company held on 31st July 2014, appointing the above Auditors for a consecutive period

of five years, it is proposed to appoint them as Statutory Auditors from the conclusion of this twenty eighth Annual General Meeting, till the conclusion of the thirtieth Annual General Meeting of the Company, they having been Auditors for the financial year 2014-15. The Company has received a letter from M/s.Rudhrakumar Associates, Chartered Accountants to the effect that their reappointment, if made, would be in accordance with the conditions prescribed under Section 139(2) of the New Act read with the applicable rules and a certificate confirming that they are not disqualified for such reappointment within the meaning of Section 141 of the New Act.

The Board of Directors commend passing of the resolution being Item No.4 of the Notice convening this meeting.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS:

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 – 600 033 for conducting the audit of cost records of the Company for the financial year 2015-16. Their report for financial year 2013-14 was filed on the MCA Portal on 15.11.2014.

SECRETARIAL AUDIT:

The Board appointed Mr.T.Murugan, Company Secretary in Practice, [COP No.4393], M22E, Sri Subah Colony, Munusamy Road, K.K.Nagar, Chennai – 600 078 to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31.3.2015 is annexed to this report as **Annexure II**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DISCLOSURES:

Audit Committee:

The Audit Committee comprises Independent Directors, viz., Messrs.K.Ganesan (Chairman), V.R.Lakshminarayanan, M. Padmanabhan and A.Balasubramanian (Members), 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 Clause 49 (F) of the Listing Agreement.

The Vigil Mechanism of the Company also incorporates a Whistle Blower Policy in terms of the Listing Agreement. 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:

Eight meetings of the Board of Directors were held during the financial year. For further details please refer to Report on Corporate Governance in this Annual 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(2) & (3) of Companies (Appointment and remuneration) Rules 2014:

Statement showing the details of employees pursuant to the provisions of Rule 5(2) & (3) of Companies (Appointment and Remuneration) Rules 2014 is annexed as **Annexure - V**

Details/disclosure of ratio of remuneration to each Director to the median employee's remuneration, pursuant to provisions of Section 197 (12) read with Rule 5(1) of Companies (Appointment and Remuneration) Rules 2014 are annexed as **Annexure - VI**

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. 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.

Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fee for the year 2015-16 to both National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd., with whom the equity shares of the Company have been listed.

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 on 31.3.2015 and the date of this report.

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.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank, in particular State Bank of Travancore, Industrial Development Bank of India Ltd., Axis Bank, Kotak Mahindra Bank Ltd, State Bank of India, Ratnakar Bank Ltd., Aditya Birla Finance Ltd., Fullerton India Credit Company Ltd, Tamil Nadu Civil Supplies Corporation, 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 continued support.

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

Navalur – 600 130
Date : 10.06.2015

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

ANNEXURE I

PARTICULARS OF CONTRACTS OR ARRANGEMENT 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 certain arms length transaction under third proviso thereto, for the financial year ended 31.3.2015.

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.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	M/s.Swaminathan Enterprises Pvt.Ltd (SEPL). Both the Directors of SEPL are sons of two Promoter-Directors of the Company.
	Nature of contracts/arrangements/ transaction	One of the Suppliers of electrical motors for Mixer Grinder/ Table Top Wet Grinder manufactured by the Company.
	Duration of the contracts/ arrangements/ transaction	28.05.2014 to 31.3.2015
	Salient terms of the contracts or arrangements or transaction including the value, if any.	The motors supplied by SEPL should conform to the prescribed 'ISI' specifications. The product price should not exceed the price charged by other indigenous manufacturers from time to time. Value of supplies made during the period of contract – Rs.18.79 lakhs.
	Date of approval by the Board	28th May 2014
	Amount paid as advances, if any	NIL

SL. No.	Particulars	Details
2	Name (s) of the related party & nature of relationship	M/s. Avinash Industries (AI) Khasra No.91/2, 92, Village Theda, Tehsil Nalagarh, District Solan, Himachal Pradesh – 170 141 One of the Partners of AI is the son-in-law of a Promoter-Director of the Company.
	Nature of contracts/ arrangements/ transaction	One of the Suppliers of Stainless Steel LPG Stoves outsourced by the Company.
	Duration of the contracts/ arrangements/ transaction	15.11.2014 to 14.11.2015
	Salient terms of the contracts or arrangements or transaction including the value, if any	The stainless steel LPG Stoves supplied by AI should conform to the specifications prescribed by the Company. The product price should not exceed the price charged by other indigenous manufacturers having manufacturing units in the States which have extended Excise Duty holiday. Value of supplies made during the period of contract – Rs.8.02 crores
	Date of approval by the Board	14th November 2014.
	Amount paid as advances, if any	NIL

Place : Navalur – 600 130
Date : 10.06.2015

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 **31.03.2015**

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

To,

The Members,
Butterfly Gandhimathi Appliances Limited

I 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 (Hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2015, complied with the statutory provisions listed hereunder 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:

I have examined the books, papers, minute books, forms and Returns filed and other records maintained by M/s. Butterfly Gandhimathi Appliances Limited for the financial year ended on 31.03.2015 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 ('SCRA') 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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, 1992;
 - (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 (Delisting of Equity Shares) Regulations, 2009 ;
- (vi) The other laws specifically applicable to this company are as follows:
 - a) Factories Act 1948
 - b) Shops and Establishment Act
 - c) The Indian Patents Act, 1970
 - d) TradeMarks Act 1999

I have also examined compliance with the applicable clauses of the Listing agreement entered into by the Company with Bombay Stock Exchange & National Stock Exchange.

I report that, during the year under review, the company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

I further report that, there were no actions/events in pursuance of :

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

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

requiring compliance thereof by the company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of audit, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with general laws like Labour and environmental laws.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws are subjected to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations: **NIL**

I 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 and detailed notes on 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.

As per the minutes of the meetings duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been expressed.

I further report that there are adequate systems and processes in the company commensurate with the size and Operations of the company to monitor and ensure compliance with Applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has :

a) Voluntarily Delisted its Equity Shares from Madras Stock Exchange & Ahmedabad Stock Exchange.

b) Accorded members approval for availing credit facilities (apart from temporary loans obtained from the bankers in the ordinary course of business) exceeding the aggregate paid-up capital and free reserves and the total amount upto which the monies may be borrowed by the Directors shall not exceed the sum of Rs. 120 Crores.

Chennai – 600 078
Date: 10th June 2015

T. Murugan
Practicing Company Secretary
Membership no: A11923
C.P No. 4393

ANNEXURE III**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

[Pursuant to Section 134 (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 at a cost of Rs.90 lakhs during the financial year 2014-15, for energy conservation:

1. Air Cooled Indoor transformers – 2 Nos installed, replacing Oil Cooled Outdoor transformers
2. Diesel Generators synchronised by installing automatic control panels with built in feature of Automatic Power Factor Controller
3. Conventional florescent bulbs replaced with LED/ CFL lamps
4. New factory buildings built with translucent sheets on the roof, allowing natural light, thus avoiding electric lights during day time
5. Bus Bar Trucking system introduced, replacing cables and Power Distribution Boards, reducing number of links and switches, thus reducing energy loss.
6. Introduced MCBs, replacing conventional fuse links, thus reducing energy loss

[B] TECHNOLOGY ABSORPTION:

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

	(Rs. in crores)
(a) Capital	2.75
(b) Recurring	2.90
(c) Total	5.65

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earnings : Rs 663.81 Lakhs.

Foreign Exchange outgo : Rs. 10,332.07 Lakhs

Place : Navalur – 600 130

Date : 10.06.2015

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 Financial Year ended on 31-03-2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule12(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
vi) Whether listed company Yes/No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent , if any	

GNSA INFOTECH LIMITED
#115, F.BLOCK, NELSON CHAMBERS
NELSON MANICKAM ROAD, AMINJIKARAI
CHENNAI - 600 029.
Email ID: sta@gnsaindia.com
Phone: 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 Stoves	27504	29
2	Mixer Grinder	27501	18
4	Table Top Wet Grinder	27501	25

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- NIL

Sl.No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1					
2					

IV.SHAREHOLDING PATTERN(Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

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									
g)Individual/HUF	5090113	0	5090113	28.47	5091113	0	5091113	28.48	0.01
h)Central Govt									
i)State Govt(s)									
j)Bodies Corp.	6553665	0	6553665	36.65	6553665	0	6553665	36.65	0.00
k)Banks/FI									
l)Any Other....									
Sub-total(A)(1):-	11643778	0	11643778	65.12	11644778	0	11644778	65.13	0.01
(2)Foreign"									
a) NRIs - Individuals									
b)Other- Individuals									
c)Bodies Corp.									
d) Banks / FI									
e)AnyOther....									
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A) (1)+(A)(2)"	11643778	0	11643778	65.12	11644778	1000	11644778	65.13	0.01
B. Public Shareholding									
1.									
Institutions									
a)Mutual Funds	396428	30	396458	2.22	446009	49581	446039	2.49	0.27
b) Banks / FI	0	2000	2000	0.01	0	2000	2000	0.01	0.00
c)Central Govt									
d)State Govt(s)									
e)Venture Capital Funds									

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	
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital"									
Funds									
i) Others (specify)									
RELIANCE ALTERNATIVE INVESTMENT FUND - Private Equity Scheme - I (Acting through Reliance Alternative Investments Services Pvt Ltd)	2451000	0	2451000	13.71	2451000	0	2451000	13.71	0.00
Sub total (B)(1):-	2847428	2030	2849458	15.94	446009	49581	2899039	16.21	0.27
2. Non- Institutions								0.00	
a) Bodies Corp.	461861	3459	465320	2.60	386685	3254	389939	2.18	-0.42
i) Indian									
ii) Overseas									
b) Individuals	76501	2303	78804	0.44	99904	2303	102207	0.57	0.13
i) Individual share holders holding nominal share capital upto Rs. 1lakh	977092	899801	1876893	10.50	1221512	855276	2076788	11.62	1.12
ii) Individual share holder sholding nominal share capital in excess of Rs 1lakh	965298	0	965298	5.40	766800	0	766800	4.29	-1.11
c) Others (specify)									
Sub-total (B)(2):-	2480752	905563	3386315	18.94	2474901	860833	3335734	18.66	-0.28
Total Public Shareholding(B)=(B)(1)+ (B)(2)"	16971958	907593	17879551	100.00	14565688	911414	17879551	100.00	0.00
C Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	16971958	907593	17879551	100.00	14565688	0	17879551	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% shares pledged / encumbered to total shares	% change in shareholding during the year
1	V. M. SESHADRI	1250673	6.99	0	1251673	7.00	0	0.01
2	V. M. LAKSHMI NARAYANAN	1000965	5.60	0	1000965	5.60	0	0
3	V. M. BALASUBRAMANIAM	570130	3.19	0	570130	3.19	0	0
4	V. M. GANGADHARAM	494083	2.76	0	494083	2.76	0	0
5	V. M. KUMARESAN	487804	2.73	0	487804	2.73	0	0
6	V. M. K. MANGALAM	218947	1.22	0	218947	1.22	0	0
7	V. M. B. UNNAMALAI	217750	1.22	0	217750	1.22	0	0
8	V. M. L. SHENBAGA LAKSHMI	217750	1.22	0	217750	1.22	0	0
9	V. M. G. SIVAKAMI	217750	1.22	0	217750	1.22	0	0
10	V. M. S. KARPAGAM	217750	1.22	0	217750	1.22	0	0
11	V. M. L. KARTHIKEYAN	76700	0.43	0	76700	0.43	0	0
12	GANDHIMATHI A	64500	0.36	0	64500	0.36	0	0
13	V. M. S. NAMASIVAYAM	16495	0.09	0	16495	0.09	0	0
14	GANGADHARAM VISWANATHAN	11300	0.06	0	11300	0.06	0	0
15	V M L SENTHILNATHAN	11055	0.06	0	11055	0.06	0	0
16	V M L KARTHIKEYAN	5000	0.03	0	5000	0.03	0	0
17	SELVAMUTHUKUMARAN V M S	4800	0.03	0	4800	0.03	0	0
18	V M G MAYURESAN	3311	0.02	0	3311	0.02	0	0
19	V M S KUMARAGURU	2000	0.01	0	2000	0.01	0	0
20	V M S KUMARAGURU	1350	0.01	0	1350	0.01	0	0
21	Butterfly Marketing Pvt.Ltd	2835000	15.86		2835000	15.86		
22	LLM Appliances Ltd	3046585	17.04		3046585	17.04		
23	Butterfly Constructions Ltd	672100	3.76		672100	3.76		
	Total	11643798	65.12	0	11644798	65.13	0	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl.No.	Shareholding 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
	11643798	65.12	11643798	65.12
At the beginning of the year				
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase equity etc):				
24.9.14 - Market Purchase			1000	0.01
At the End of the year			11644798	65.13

(iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders):

Sl. No.	Name	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (1/4/14 to 31.3.15)	
		No. of shares at the beginning (1.4.14)/ end of the year (31.3.15)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	RELANCE ALTERNATIVE INVESTMENT FUND - Private Equity Scheme - I (Acting through Reliance Alternative Investments Services Pvt Ltd)	2451000					2451000	13.71
2	SBI TAX ADVANTAGE FUND SERIES I	354655	1.98	25/4/2014	15605	bought - Demat	370260	2.07
				6/6/2014	15096	bought - Demat	385356	2.16
				28/11/2014	658	sold - Demat	384698	2.15
				12/12/2014	10291	sold - Demat	374407	2.09
				16/1/2015	1591	sold - Demat	372816	2.09
				23/1/2015	835	sold - Demat	371981	2.08

				30/1/2015	41500	sold - Demat	330481	1.85
				6/2/2015	11900	sold - Demat	318581	1.78
				13/2/2015	793	sold - Demat	317788	1.78
				20/2/2015	3373	sold - Demat	314415	1.76
				27/2/2015	4075	sold - Demat	310340	1.74
3	MEENAKSHI MERCENTILES LTD	100000					100000	0.56
4	ESVEE CAPITAL	45000	0.25					
				21/11/2014	22881	bought - Demat	67881	0.38
				28/11/2014	715	bought - Demat	68596	0.38
				19/12/2014	8100	bought - Demat	76696	0.43
				27/3/2015	15000	bought - Demat	91696	0.51
5	PRAVINA MEHTA	90000					90000	0.50
6	SBI FMCG FUND	92161	0.52					
				22/8/2014	4743	sold - Demat	87418	0.49
7	SMITA SACHIDANAND DAS	24000	0.13				24000	0.13
8	UDAIPUR COTTON MILLS CO LTD	88000	0.49	4/4/2014	2000	bought - Demat	90000	0.50
				25/4/2014	6950	bought - Demat	96950	0.54
				25/7/2014	444	sold - Demat	96506	0.54
				22/8/2014	13948	sold - Demat	82558	0.46
				29/8/2014	5558	sold - Demat	77000	0.43
				31/10/2014	12000	sold - Demat	65000	0.36
9	MALEKA MITEN MEHTA	100000	0.56	18/4/2014	40000	sold - Demat	60000	0.34

Sl. No.	Name	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (1/4/14 to 31.3.15	
		No. of shares at the beginning (1.4.14)/end of the year (31.3.15)	% of total shares of the Company				No. of shares	% of total shares of the Company
10	SBI MAGNUM MULTICAP FUND	125000	0.70					
				4/7/2014	70000	bought - Demat	195000	1.09
				17/10/2014	5633	sold - Demat	189367	1.06
				24/10/2014	286	sold - Demat	189081	1.06
				31/10/2014	1387	sold - Demat	187694	1.05
				7/11/2014	2055	sold - Demat	185639	1.04
				14/11/2014	38579	sold - Demat	147060	0.82
				21/11/2014	17412	sold - Demat	129648	0.73
				28/11/2014	7658	sold - Demat	121990	0.68
				12/12/2014	10289	sold - Demat	111701	0.62
				16/1/2015	1591	sold - Demat	110110	0.62
				23/1/2015	835	sold - Demat	109275	0.61
				30/1/2015	41500	sold - Demat	67775	0.38
				6/2/2015	11900	sold - Demat	55875	0.31
				13/2/2015	792	sold - Demat	55083	0.31
				2/20/2015	3372	sold - Demat	51711	0.29
				2/27/2015	4075	sold - Demat	47636	0.27

(v) Shareholding of Directors and Key Managerial Personnel:

A. Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.14 to 31.3.15)	
		No. of shares at the beginning (1.4.14/end of the year (31.3.15))	% of total shares of the company				No. of shares	% of total shares of the company
1	V. M. Seshadri	1250673	6.99	1.4.14				
		1251673	0.01	31.3.15	1000	Purchased from market	1251673	7.00
2	V. M. Lakshmi Narayanan	1000965	5.60	1.4.14 to 31.3.15	0	Nil movement during the year	1000965	5.60
3	V. M. Balasubramaniam	570130	3.19	1.4.14 to 31.3.15	0	Nil movement during the year	570130	3.19
4	V. M. Gangadharam	494083	2.76	1.4.14 to 31.3.15	0	Nil movement during the year	494083	2.76
5	V. M. Kumaresan	487804	2.73	1.4.14 to 31.3.15	0	Nil movement during the year	487804	2.73

B. Directors

Sl. No.	Name	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.14 to 31.3.15)	
		No. of shares at the beginning (1.4.14 / end of the year (31.3.15))	% of total shares of the company				No. of shares	% of total shares of the company
1	V.R.Lakshminarayanan	1000	0.01	1.4.14 to 31.3.15	0	Nil movement during the year	1000	0.01

a. Details of shareholders holding more than 5% shares in the company

	31st March 2014		31st March 2015	
	Equity shares		Equity shares	
Name of the Shareholder	No. of shares held	% of holding	No. of shares held	% of holding
Reliance Alternative Investment Fund	2451000	13.71	2451000	13.71

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,642.80	914.95		18,557.74
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	23.34			23.34
Total (i+ii+iii)	17,666.13	914.95	-	18,581.08
Change in Indebtedness during the financial year				
* Addition	4,848.48	951.56		5,800.04
* Reduction	5,219.45	21.04		5,240.49
Net Change	-370.97	930.52	-	559.55
Indebtedness at the end of the financial year				
i) Principal Amount	17,189.51	1,845.47		19,034.98
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	105.65			105.65
Total (i+ii+iii)	17,295.16	1,845.47	-	19,140.63

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

in Rs. Lakhs

Sl. No.	Particulars of Remuneration	Name of MD /WTD / Manager						Total Amount
		V.M. Lakshmi-narayanan (MD)	V.M. Balasubramaniam (MD)	V.M. Seshadri (MD)	V.M. Gangadharan (ED)	V.M. Kumaresan (ED-T)	D. Krishnamurthy (ED-CS)	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.00	23.60	34.80	33.60	33.60	20.40	182.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7.20	4.72	6.96	6.72	6.72	4.08	36.40
	(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)	9.72	6.37	9.40	9.07	9.07	5.51	49.14
	Total (A)	52.92	34.69	51.16	49.39	49.39	29.99	267.54
	Ceiling as per the Act	NA	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 II(A) to the Companies Act, 2013

B. Remuneration to other directors:

Rs. in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount	
		K. Ganesan	V.M. Balasubramaniam	V.R. Lakshminarayanan	M. Padmanabhan	A. Balasubramanian	G.S. Samuel	Prakash-lyer	K.J. Kumar	T.R. Srinivasan	Maheswari Mohan	
3. Independent Directors												
	• Fee for attending board committee meetings	3.80	0.30	1.00	3.00	1.20	0.90	-	0.20	1.00	-	11.40
	• Commission	-	-	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	3.80	0.30	1.00	3.00	1.20	0.90	-	0.20	1.00	-	11.40
4. Other Non-Executive Directors												
	• Fee for attending board committee meetings	-	-	-	-	-	-	0.90	-	-	0.10	1.00
	• Commission	-	-	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	0.90	-	-	0.10	1.00
	Total (B)=(1+2)	3.80	0.30	1.00	3.00	1.20	0.90	0.90	0.20	1.00	0.10	12.40
	Total Managerial Remuneration											279.94
	Overall Ceiling as per the Act	*	*	*	*	*	*	*	*	*	*	*

* Please see note under A above

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

Sl. No.	Particulars of Remuneration	Sunil Bhansali
		CFO
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	20.40 39.60 -
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	- -
5	Others, please specify	-
	Total	60.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	NA	Nil	NA	Nil
Punishment	Nil	NA	Nil	NA	Nil
Compounding	Nil	NA	Nil	NA	Nil
B. DIRECTORS					
Penalty	Nil	NA	Nil	NA	Nil
Punishment	Nil	NA	Nil	NA	Nil
Compounding	Nil	NA	Nil	NA	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	NA	Nil	NA	Nil
Punishment	Nil	NA	Nil	NA	Nil
Compounding	Nil	NA	Nil	NA	Nil

ANNEXURE V

STATEMENT SHOWING DETAILS OF EMPLOYEES PURSUANT TO RULE 5(2) & (3) OF COMPANIES (APPOINTMENT AND REMUNERATION) RULES 2014

Sl. No.	Name	Designation	Qualification	Experience in years	Remuneration (Rs.)	Age	Date of commencement of employment	Particulars of last employment
1.	David Mark Steed	President – Global Design	B.A. Hons. 3D Design Art Foundation Diploma	32	1,24,65,468	54	02.05.2014	Head – Institut Supérieur de Design, Pune.
2.	Sunil Bhansali	Chief Financial Officer	B.Com. Hons., FCA	27	59,99,800	51	01.04.2014	Executive Director – Falcon Tyres, Mysore
3.	K.Sivakumar*	President - Sales & Marketing	B.Sc.(Agri.), PGDBM (MBA), IIM, Ahmedabad	30	59,94,846	49	17.06.2013	COO – Lavazza India, Bangalore (Fresh & Honest Café).

*Employed for part of the year

Notes: 1. All the above employments are/were contractual

2. None of the employees named above held any equity shares of the Company.

3. None of them is/was a relative of any Director of the Company.

Place : Navalur – 600 130

Date : 10.06.2015

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

ANNEXURE VI**DISCLOSURE PURSUANT TO RULE 5 (1) OF COMPANIES**

(Appointment and Remuneration) Rules 2014

- 1. Rule 5(1) (i) : ratio of the remuneration to each Director to the median remuneration of the employees of the Company for the financial year ended on 31.3.2015:**

Name of Director	Ratio of remuneration to the median remuneration of the Company's employees
Mr.V.M.Lakshminarayanan	21.90
Mr.V.M.Balasubramaniam	21.53
Mr.V.M.Seshadri	21.16
Mr.V.M.Gangadharam	20.43
Mr.V.M.Kumaresan	20.43
Mr.D.Krishnamurthy	12.40

- 2. Rule 5(1)(ii) : Percentage increase in remuneration of each Director, Chief Financial Officer in the financial year ended on 31.3.2015:**

There was no increase in remuneration of any one of the above named Director and the Chief Financial Officer in the financial year ended on 31.3.2015.

- 3. Rule 5(1)(iii) : Percentage increase in the median remuneration of employees in the financial year ended on 31.3.2015:**

There was an increase of 16.53% in the median remuneration of employees in the financial year ended on 31.3.2015.

- 4. Rule 5 (1) (iv) : Number of permanent employees on the rolls of Company:**

There were 1,488 permanent employees on the rolls of Company as on 31.3.2015.

- 5. Rule 5(1)(v) : Explanation on the relationship between average increase in remuneration and Company performance:**

The increase in the remuneration of non-executive / junior executive employees is mainly relatable to the increase in cost of living index, performance of individual employees and the necessity to grant higher percentage of increments to employees drawing salaries below Rs.10,000/- per month. Despite strenuous efforts of employees at all levels, generally sluggish market conditions and subdued sentiments of consumers for new purchases during the festive season had an adverse impact in the Company's performance during the financial year ended on 31.3.2015.

- 6. Rule 5(1)(vi) : Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

As stated vide Sl.Nos.2 above, there was no increase in the remuneration of key managerial personnel in the financial year ended on 31.3.2015. Reasons for drop in the sales/ profitability performance during financial year ended on 31.3.2015, as compared to the previous year, are explained vide Sl.No.5 above.

- 7. Rule 5(1)(vii): Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the financial year under review vis-à-vis previous financial year :**

Variation details	Year ending	
	31.3.2014	31.3.2015
Equity Share Price (in Rs.)	192.00	292.40
Market capitalisation (in Rs, crore)	343.00	523.00
EPS	1.58	12.54
P/E ratio	121.52	23.32

The Company did not come out with any public offer in the recent past.

8. Rule 5(1)(viii) : Average percentile increase 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 :

Not applicable, in view of comments given vide Sl.No.2.

9. Rule 5(1)(ix) : Comparison of each remuneration of key managerial personnel against the performance of the Company:

Not applicable, in view of generally sluggish market conditions and subdued sentiments of consumers for new purchases during the festive season, as stated vide Sl.No.5 above

10. Rule 5(1)(x) : Key parameters for any variable component of remuneration availed by the Directors:

Not applicable since none of the Director availed any variable component of remuneration in the financial year ended on 31.3.2015.

11. Rule 5(1)(xi) : Ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the financial year ended 31.3.2015:

Mr.V.M.Lakshminarayanan, Chairman & Managing Director is the highest paid Director. The ratio of his remuneration to that of the employees other than Directors receiving remuneration higher than that of Mr.Lakshminarayanan is 0.22.

12. Rule 5(1) (xii) : Affirmation that the remuneration is as per the remuneration policy of the Company:

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

Place : Navalur – 600 130

Date : 10.06.2015

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

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

In 2014-15 the Indian economy reclaimed its position as one of the fastest growing economies due to measures taken to control inflation, reversal of monetary policy, decline in price of oil and other commodities as well as initial set of reforms by the newly elected government. The GDP growth was estimated at 7.8% in the year 2014-15, as compared to 6.6% in the previous year.

The average Wholesale Price Index inflation declined to 3.4% vis-à-vis 8.9% in the previous year, as fuel witnessed a sharp decline in prices. Food price inflation also moderated to 4.8% as compared to 9.4% in 2013-14. Further, the deterioration in economic activity was arrested as the new government was able to improve business sentiment as it rolled out some refreshing initiatives in areas such as foreign policy, defence, health & sanitation and auctioning of natural resources.

The Reserve Bank of India which had tightened the monetary policy to contain demand pressures, create a buffer against external shocks and manage volatility in the rupee also undertook a reversal with reduction of rates during the year to encourage growth.

GDP OUTLOOK FOR 2015-16:

While there has been criticism of the growth rate and the pace of economic reform, there has been an acknowledgement of India's improved economic position by way of revised sovereign ratings. In the light of the Government's commitment to reforms, the outlook for growth has been revised upwards and it is expected that the Indian economy can deliver growth of 7.5% in 2015-16.

KITCHEN APPLIANCES INDUSTRY IN INDIA:

The Indian kitchen appliances market has expanded in a significant manner over the last decade. Rising disposable incomes, increasing urbanization, shift from traditional joint families to nuclear families and a dynamic change in preference for organized branded players have led to multi-fold growth in the industry.

While the growth trend across the Kitchen appliances segment was steadily moving upwards, the consumer durables sector underwent a slowdown in the financial year 2014-15, with growth across most segments being considerably lower than historical rates. A variety of factors such as sluggish consumer sentiment, volatile raw material prices and moderation in retail footfalls impacted the growth in the kitchen appliances industry during the fiscal.

The durables market is not only price-sensitive, but is strongly related to discretionary incomes. Overall spending by the middle-income group slowed down during the year under review.

On a positive side, the sector has witnessed encouraging messages from the new government which has announced intention to rationalise taxation and improve the ease of doing business in India. Other changes targeted at uplifting consumer sentiment and encouraging domestic manufacturing have also been welcome.

The government's ambitious campaign 'Make in India' has provided fresh impetus to this sector. The recent announcements made in the Budget-2015 are likely to fuel the desirable growth in the Indian Consumer Durables market, going forward.

According to the McKinsey Global Institute (MGI) 2010 report, India's fast growing cities will drive a four-fold increase in the country's per capita income from 2008 and 2030. It also states that the number of middle class households will increase more than fourfold nationwide from 32m to 147m in 2030. Disposable income is expected to grow at a CAGR of 6.4% over 2008-2030 allowing significant increase in the consumer discretionary expenditure, which bodes well for the consumer durables sector.

COMPANY PERFORMANCE

Recent quarters have been challenging for the industry with weakening consumer sentiment and reduced disposable income creating headwinds for growth in most of the key markets.

Due to a combination of challenging factors, the Company saw a slow-down in financial year 2014-15 in its exponential growth trend. A host of factors such as lower market volumes, subdued consumer demand and moderated festival sales coupled with a challenging macro-environment impacted the revenue performance and profitability trend during the fiscal.

Against this back drop, the Company earned net revenue from operations Rs.529.0 crores, compared to Rs.764.2 crores in the previous year, which is lower by 30.8%.

A combined effect of a variety of factors such as slowdown in the Kitchen Appliances segment resulting in subdued consumer confidence, underperforming institutional segment due to lower release of new gas connections and an overall stagnant consumer demand driven by political uncertainty across majority of important markets hampered the performance of branded sales during the fiscal. Additionally, the absence of government orders for a major part of financial year 2014-15 (Rs.84.3 crores against financial year 2013-14 Rs.303.2 crores) significantly altered the revenue performance during the year.

Building on the Company's strategy, the net Branded sales stood at Rs. 444.7 crore in financial year 2014-15. Performance by the acquired high-potential sunrise products categories was satisfactory, considering the overall unfavourable market conditions.

Government Sales during the year stood at Rs.84.3 crores (net). Other Income stood at Rs.4.4 crore. The execution of major share of Tamil Nadu Civil Supplies Corporation order worth Rs.510.0 crores (gross) awarded in January 2015 is continuing in full swing during the current fiscal, which will contribute towards revenue earnings from operations for financial year 2015-16.

Over the year the Company has not only expanded its base into the non-south markets, but has also efficiently leveraged its strong foothold in the South Market. The Company continues to enjoy a prime position in its primary market in the South and will work on ways to enhance this even further.

The Company organically added 52 new SKUs in financial year 2014-15, taking the total count to 552 SKUs.

During FY 2014-15, depreciation increased to Rs.10.2 crores from Rs.5.1 crores in FY 2013-14. Finance cost at Rs.29.6 crore was higher compared to Rs.22.1 crores for FY 2013-14. The higher finance cost was due to delay in receivables and the impact of the business acquisition.

A combination of higher finance cost and depreciation, combined with lower sales turnover resulted in lower profit before tax of Rs.4.2 crores compared to Rs.34.3 crores in FY 14.

Overall, the year in retrospect witnessed several challenges in the business environment. The Company has since taken necessary steps to mitigate the impact of these temporary headwinds and remains confident in its ability to fuel growth in the business, over the medium-to-long term especially given the positive structural trends in the Indian economy. The many initiatives undertaken by the Company, such as the ongoing pan-India expansion, launch of additional products categories, focus on innovative hi-tech products, entry into modern retail formats and enhanced brand awareness activities, supported by a solid business model will allow it to gradually build on its performance and will to create value for shareholders over the long term.

BRANDED SALES PERFORMANCE

In view of weak demand for the Consumer sector, the Company could achieve branded primary net sales of Rs.444.7 crores only for financial year 2014-15, as against Rs.460.9 crores for financial year 2013-14. Branded sales contributed 84.0% to the net revenue during financial year 2014-15, as against 60.0% in the previous year.

Stable performance across the key product categories of LPG stoves, Mixer Grinders and Table Top Wet Grinders, supported by the market acceptance of the new product launches, drove the overall performance during the fiscal.

(Rs. In crores)

Product	FY 2014-15	FY 2013-14
Kitchen Appliances Segment	367.4	347.9
Cooker/Cookware	86.5	85.4
Others	24.0	44.1
Spares/Components	7.1	30.2
Total Gross Branded Sales	485.0	507.6
Less: Excise Duty	40.3	46.7
Total Net Branded Sales	444.7	460.9

GOVERNMENT ORDERS PERFORMANCE

The Company has participated in three annual tenders of Tamil Nadu Civil Supplies Corporation, commencing from financial year 2011-12. In the month of January 2015, the Company was awarded the fourth tender worth Rs. 510.0 crore for the supply of Table Top Wet Grinders. This tender is divided into two parts of a value of Rs. 255.0 crore each. The LOI for the first order has been received and the LOI for the second order is expected by end of H1FY16. This is the largest order received by the Company and marks the conclusion of the present scheme of TNCSC as envisaged by the government.

As the order was received in January, 2015 only a small part of the order could be executed in FY15 itself as and, the lion's share of the revenue shall accrue in financial year 2015-16 only. During financial year 2014-15, the net revenue earned is Rs.84.3 crores.

Against the current completed supplies for 4.5 lakh nos TTWG, full collection, excepting 10% retention money, was achieved in Q4FY15. Out of the total retention money of Rs. 25.0 crore due as on Q4 FY15, Rs. 14.0 crore is due for collection in FY16

(Rs. in crores)

	FY 2014-15	FY 2013-14
Total Gross Government Order Sales	92.1	331.2
Less: Excise Duty	7.8	28.0
Total Government Order Sales	84.3	303.2

The Company has derived several benefits from participation in the Government orders for the past five years. The business has enhanced manufacturing capabilities and widened the consumer base, while positively improving its delivery capabilities. The orders have delivered incremental contribution to profitability and the payment terms allow for a favourable impact on working capital requirements and cash flows. Large volumes associated with these orders also greatly enhanced the Company's negotiating power and status with suppliers and distributors.

Supply to manifold consumers in Tamil Nadu has paved the way for enhanced customer base at the time of product replacement or up gradation, as most of the consumers are first-time users.

CONTRIBUTION FROM ACQUIRED PRODUCTS:

The first full year of contribution of 'Butterfly' products acquired from LLM Appliances Ltd., i.e, Power Hobs, Rice Cookers, Electric Kettles, Air Coolers, etc., at Rs. 76.7 crores for financial year 2014-15 is encouraging. The Company will implement strategies to gradually increase availability of these products across the various touch points in its distribution network. These products have exciting potential and the company is working on enhancing the product functionality, brand awareness and customer acceptance in order to elevate sales revenue from these products to greater heights.

SWOT ANALYSIS

Strengths

Wide Range of High-quality Products: The Company has developed a wide range of high-quality Kitchen and electrical appliances that cater to the needs of a variety of consumers across all income categories. It has an in-house manufacturing facility equipped with modern technology and die-making tools that allow it to enhance the efficiency of the manufacturing procedures and enable a higher degree of quality control. The products manufactured by the Company are day to day utility products and enjoy wide application.

Professional management team with rich industry experience: The management team comprises promoters with 'hands on' experience for four decades and senior professionals who possess vast experience in the kitchen appliances industry. They have witnessed multiple business cycles and have ably steered the Company through challenging market trends. A mix of promoter family and 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.

Well-respected Brand: The quality, safety and reliability of the products and the continuing customer satisfaction over the last three decades have enabled the 'BUTTERFLY' brand of kitchen and electrical appliances to become a household name. The Company is the largest supplier of LPG stoves and Table top wet grinders in India. Awareness of and loyalty to the Brand from Customers ensure that dealers and distributors accord priority to the product range. The popularity of the Brand also ensures a head start in volumes for any new products/categories offered by the Company.

Extensive Distribution Network: The Company has built an extensive pan India distribution network reaching to about 18,000 retail points across India. Apart from the traditional distribution channels such as dealers and authorized distributors, we also have institutional tie-ups with three major oil companies; IOCL, BPCL and HPCL for the co-branded distribution of the kitchen appliances. The Company has over 400 exclusive distributors across the Indian map that display the entire range of BGMAL products under one roof. Further, addressing the technological shifts in the market, the Company has also undertaken initiatives towards building a strong foundation in modern retail and e-commerce business formats.

Brand building initiatives and Product Innovation: The Company has driven market share gains for its products, through various brand building and brand awareness initiatives over the last few years. It has aggressively increased its focus and investments into marketing and promotional activities across multiple media, which is contributing to its overall performance. Another distinctive characteristic of the Company's operations is the strong focus towards innovation, underpinned by robust R&D and industrial designs capabilities and infrastructure. The Company has leveraged its R&D and industrial designs strengths to enhance the look and feel of products, utility, functionality, performance, manufacturing processes and even packaging. The Company firmly believes that its innovative product portfolio along with an enhanced profile of the brand will strongly fuel its growth.

Weaknesses

Working Capital: The Company has made significant efforts to streamline its working capital management throughout the year. The cash conversion process is closely monitored and being assessed for further improvement. However, the nature of business and the need to correctly estimate and prepare for demand at a specific time of the year makes it challenging for the Company to follow a minimum inventory or just-in-time stocks inventory model. In order to ensure product availability and derive maximum revenue, the Company needs to carry sufficient stock which requires significant investment in working capital for inventories.

High upfront cost for Expansion: Over the last two years, Butterfly Gandhimathi Appliances has widened its consumer base by penetrating into newer and high-potential markets. While doing so, the Company has had to undertake investments to appropriately set up operations for a long-term presence in these markets and had to make additions to its human resources to formulate appropriate strategies to penetrate new markets. These upfront investments, the benefit of which will accrue over the next several years, have impacted the profitability for FY2014-15.

Opportunities

Market Expansion: Over the past few years, the Consumer Durable Industry has witnessed a significant rise in demand. Rural consumption is driven mainly through first-time purchases, whereas urban markets predominantly register higher replacement sales. The Indian consumer durable sector is poised for steady growth of 10-12 % annually, which presents an attractive opportunity for the Company to grow in this space.

Government's Initiatives: The Government has envisaged several steps to take Indian manufacturing capabilities to new heights. One such step is the 'Make in India' initiative, which aims to propel domestic manufacturing, while also streamlining the country's exports in key global markets. Another initiative taken by the Government to eliminate the cascading effect of taxes on goods and services for organized players is the proposed implementation of GST. This will greatly reduce transaction costs, while streamlining documentation, thus improving market efficiency. Such Government initiatives will provide a strong impetus to the Company's operations in the long run.

Availability of easy consumer financing: 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.

Changing Lifestyle/ Preferences: The last two decades have seen a massive transformation in lifestyle preferences and buying trends of Urban India. Increasing consumerism, rising incomes among the Indian middle class, preference for branded products, a young working population and a clear shift in consumer mind-sets has powered the consumer market in India. Continued evolution in preferences and demand for consumer products is expected to increase at an accelerated pace across the country, thus fuelling higher growth in the industry.

Threats

Competitive Intensity: Competition across the Kitchen appliances industry in India is rising significantly. The industry is highly fragmented in the hands of several organized and unorganized players. International companies that foray into the kitchen appliances space through mergers, acquisitions and joint ventures, have further intensified the competition in this space.

Low entry barriers: 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.

Vagaries of nature: The Indian Meteorological Department has forecast scanty rainfall all over the country for the current year. In the event of the said forecast becoming a reality, the same may lead to draught conditions in the country, resulting in galloping prices for essential commodities. This may adversely affect the consumers' sentiments for purchase of new home appliances products.

COMPANY OVERVIEW

Your Company is a leading manufacturer of Domestic Kitchen and Domestic Electrical Appliances in India established in 1986, the Company is ranked amongst the top three 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.

STRATEGY

The Company strives for profitable growth and is driven by certain strategic priorities which are listed as below:

Differentiated Products/ Positioning: The Company has an optimal mix of products and product categories with varying attributes of styling, colours, price points and utility. The Company's R&D and international design capabilities have also helped it to meet the growing expectations of Indian consumers. During the fiscal, the Company strategically focused on enhancing its brand look and experience by way of refreshing and revolutionizing its product packaging. Strong brand communication and positioning along with differentiated product categories will help the Company attract and retain more customers and will make the brand "Butterfly" a preferred choice amongst consumers.

Well-respected Brand: The strength of the 'Butterfly' brand and its association with trust, quality and reliability has helped the business in many aspects. To further build on the visibility of the brand, the Company plans various brand awareness campaigns across multiple media formats. The Management will also be directing sincere efforts and time to further enhance the quality and functionality of its products. Going forward, the strategy will also involve building on the safety, reliability, and durability of the appliances to suit the emerging customer needs and demands.

Wider Retail Presence: The Company has commenced building its presence in modern retail and e-commerce business formats, thus strengthening and widening its overall retail presence. An improved distribution network will not only help in deepening and diversifying the brand reach, but will also provide an edge to brand 'Butterfly'.

Address Multiple and Diverse Customer Taste: Positioned as a premium brand name, brand 'Butterfly' caters to the needs of a variety of consumers across all income statuses and thus enjoys a mass appeal. The Company boasts of an extensive portfolio of high-quality and reliable products, infused with striking features and colors. Multiple product categories with several SKUs, across varying price points, provides a thrust to product sales. The Company seeks to capture a greater share of market through this strategy, going ahead.

Enhance Share of Wallet: The Company has participated in an aggressive product portfolio expansion, which enables it to cater to the basic and major uses of Kitchen Appliances. Key product categories such as LPG Stoves, Mixer Grinders, Table top wet grinders and Pressure Cookers are now considered as Kitchen necessity items. In addition to these, the Company offers a variety of other high-utility products such as Electric Chimney, Power Hobs, Rice cooker, Toaster, Sandwich maker, etc., that enables it to capture a larger share of spend on Home and Kitchen Appliances than earlier. Further, supplying products such as Electric Irons, Fans, Water Heaters, Washers, etc., enhances utilization and asset returns of its logistics, distribution and sales & marketing units.

CAPITAL EXPENDITURE

As indicated in our last report, the project for production capacity expansion of LPG Stoves and Pressure Cookers from 12 lakh units each per annum to 18 lakh units each per annum has been completed. Production of Pressure Cooker and Mixer Grinder have been shifted to newly constructed factory premises with modern infrastructure for uninterrupted production, also avoiding multiple handling of raw materials and components at the work spot. The dependency on man power has been brought down by semi-automating/automating some of the manufacturing processes.

The capital expenditure budget for FY 16, estimated at a cost of Rs.14.11 crore includes building for a new warehouse for storage of finished goods in the plant and a new tool room, as also new machinery and equipment at an estimated cost of Rs.7.55 crore.

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 transfer of short-term debt to long-term debt and also better management of working capital. Despite a marginal improvement in total borrowings due to large government order received in Q4FY15, the debt equity ratio was constant on a y-o-y basis.

A ramp up in inventory following commencement of execution of the Government order and lower sales due to sluggish market condition contributed to marginally higher inventory at the end of the fiscal. The total debtors as on March 31, 2015 of Rs.192.9 crore has improved significantly on a y-on-y basis.

	(Rs. in crore)
	FY 2014-15
Government Debtors	84.0
Other Debtors	108.9
Total Debtors	<u>192.9</u>

Against the current completed supplies, for 4.5 lakh nos.TTWG in FY14, full collection, excepting 10% retention money, was achieved in Q4FY15. Out of the total retention money of Rs.25.0 crore which was due in Q4FY15, the company has received Rs.11.0 crore and will receive the balance amount in the ensuing financial year. This will result in further reduction of historical trade receivables and the Company will continue its efforts to operate with a leaner balance sheet.

OUTLOOK

The slowdown in the pace of Indian economy and the consumer sector, coupled with prolonged weakness in consumer demand has necessitated the need for dynamism. Although, the upcoming reforms and initiatives by the Government are directed towards the improvement of the Indian economy, the translation of the same into the economic growth, we believe, is still some quarters away.

Closer home, the last few quarters have proven to be challenging for the Company in terms of its financial performance. In such challenging times, it is useful to remember the primary goal and remain focused on the long term objectives. The long-term primary objective lies in generating shareholder value.

As we look ahead, there is significant opportunity for the Company to grow and we will be taking several steps in reinforcing our competitive advantages, while simultaneously adding substantial value to brand 'Butterfly'.

Our key areas of focus for further developing and expanding our Business will continue to be the markets of South India. It represents a significant share of revenues and we will continue to leverage our position in these markets, while aggressively building on our pan-India expansion.

On the operational front, the Company is efficiently utilizing its R&D capabilities to further enhance features and functionality of its appliances. The Company continues to enjoy a wide range of products in its product portfolio ranging from heavy kitchen and home appliances to basic cookware items. In addition to this, the high-potential acquired products are also contributing and fuelling quantum growth in the Company's operations.

The fiscal saw stable net worth, streamlined debtors and healthy capital structure. The liquidity remained sound.

We strongly believe that the Indian economy is at the cusp of a turnaround and in time, albeit the forecast of a weak monsoon, this will reflect positively on the consumer markets as well. The foundation of our business remains solid and our internal initiatives of the last few quarters will also bear fruit in the near term. In the meantime, the management will continue its investments into the future growth of the Company, but with a reevaluated pace to optimize our stakeholder return and to deliver the long-term objectives of the Company.

RISK MANAGEMENT

Risk management is an integral function and is embedded across all of the business processes undertaken by the Company. 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.

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 ensure that they meet acceptable safety requirements.

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

INTERNAL CONTROLS

The Company and the Management has adequate internal control systems in place to safeguard and shield the Company from losses and unofficial use or deposition of 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 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.

HUMAN RESOURCES

The Company continues 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, rewarding and nurturing environment for employees. Equal opportunities are given to optimize their potential and improve their standard of living.

The Company lays great emphasis on retention of employees as it holds great strategic importance to retain 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 programmes 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 31st March, 2015, the total workforce of the Company stood at 1,488 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 macroeconomic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the company does not have any direct control.

Place : Navalur – 600 130
Date : 10.06.2015

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

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

Pursuant to clause 49 of the Listing Agreement with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the Company submits the report on the matters mentioned in the said clause as amended up to date 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 to our customers which offer ergonomic features and attractive design at great value for money 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 for shareholders.

2. BOARD OF DIRECTORS:

(i) COMPOSITION AND CATEGORY OF DIRECTORS:

The Board presently comprises of fifteen Directors as follows, 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.D.Krishnamurthy	Executive Director-cum-Company Secretary	Executive
Mr.PrakashIyer	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.V.R.Lakshminarayanan	Independent Director	Non-Executive
Mr.K.Ganesan	Independent Director	Non-Executive
Mr.M.Padmanabhan	Independent Director	Non-Executive
Mr.A.Balasubramanian	Independent Director	Non-Executive
Mr.K.J.Kumar	Independent Director	Non-Executive
Mr.G.S.Samuel	Independent Director	Non-Executive
Mr.T.R.Srinivasan	Independent Director	Non-Executive
Mrs.Maheswari Mohan	Additional Director (Woman Director)*	Non-Executive

*Appointed by the Board of Directors at its meeting held on 31.3.2015. She will continue to hold the office till the conclusion of the forthcoming Annual General Meeting of the Company.

(ii) 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 (31.07.2014) Yes/No
Total no. of meetings held during the year	8	1
Mr.V.M.Lakshminarayanan	8	Yes
Mr.V.M.Balasubramaniam	8	Yes
Mr.V.M.Seshadri	8	Yes
Mr.V.M.Gangadharam	6	Yes
Mr.V.M.Kumaresan	6	Yes
Mr. K.Ganesan	8	Yes
Mr.V.R.Lakshminarayanan	4	No
Mr.M.Padmanabhan	5	No
Mr.D.Krishnamurthy	8	Yes
Mr.A.Balasubramanian	5	Yes
Mr.K.J.Kumar	2	No
Mr.G.S.Samuel	7	Yes
Mr.PrakashIyer	6	Yes
Mr.T.R.Srinivasan	8	Yes
Mrs.Maheswari Mohan	1	Not Applicable

(iii) 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	-	-	1	-
Mr.V.M.Balasubramaniam	1	-	1	-
Mr.V.M.Seshadri	-	-	1	-
Mr.V.M.Gangadharam	1	-	1	-
Mr.V.M.Kumaresan	1	-	1	-
Mr. K.Ganesan	-	-	-	-
Mr.V.R.Lakshminarayanan	1	-	-	-
Mr.M.Padmanabhan	2	1	-	-
Mr.A.Balasubramanian	2	4	-	-
Mr.K.J.Kumar	-	-	5	-
Mr.G.S.Samuel	-	-	-	-
Mr.Prakash Iyer	2	1	-	-
Mr.T.R.Srinivasan	-	-	-	-

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

During the financial year ended 31st March, 2015, the Board met eight times on 28.05.2014, 04.06.2014, 31.07.2014, 14.08.2014, 14.11.2014, 13.02.2015, 21.3.2015 and 31.3.2015.

3. AUDIT COMMITTEE:**(i) Brief description of terms of reference:**

The terms of reference to the Audit Committee includes:

- (i)** 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;
- (ii)** The Recommendation for appointment, remuneration and terms of appointment of auditors, internal auditors, cost auditors and practicing company secretary for Secretarial Audit;
- (iii)** Approval of payment to statutory auditors for any other services rendered by them.
- (iv)** 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, reservations and adverse remarks if any, in the draft audit report.
- (v)** Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- (vi)** 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;
- (vii)** Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii)** Approval or any subsequent modification of transactions of the Company with related parties;
- (ix)** Scrutiny of inter-corporate loans and investments;
- (x)** Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi)** Evaluation of internal financial controls and risk management systems;
- (xii)** Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii)** 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;
- (xiv)** Discussion with internal auditors of any significant findings and follow up thereon;
- (xv)** 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;
- (xvi)** 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;

- (xvii) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of CFO (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;
- (xx) 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 Company's Audit Committee, during the financial year ended 31.03.2015 comprised the following Members.

- a) Mr.K.Ganesan, Independent Director – Chairman
- b) Mr.M.Padmanabhan, Independent Director - Member
- c) Mr.V.R.Lakshminarayanan, Independent – Member
- d) Mr.A.Balasubramanian, Independent Director – Member
- e) Mr.V.M.Lakshminarayanan, Chairman and Managing Director – Member

(iii) Meetings and attendance during Financial year ended 31st March, 2015:

During the financial year ended on 31st March, 2015, the Audit Committee met six times on 22.05.2014, 27.5.2014, 14.08.2014, 14.11.2014, 24.1.2015 and 13.2.2015.

Name of Director	Attendance at Audit Committee meetings
Total no. of meetings held during the year which were attended by the Members	6
Mr. K.Ganesan	6
Mr.M.Padmanabhan	6
Mr.V.R.Lakshminarayanan	3
Mr.A.Balasubramanian	3
Mr.V.M.Lakshminarayanan	6

4. NOMINATION AND REMUNERATION COMMITTEE:

(i) Brief description of terms of reference:

The role of the Committee, shall, inter-alia, include the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) 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.
- e) 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 Committee consisted of the following Directors during the financial year ended on 31st March, 2015:

Mr.V.R.Lakshminarayanan	- Independent Director - Chairman
Mr.K.Ganesan	- Independent Director - Member
Mr.M.Padmanabhan	- Independent Director - Member
Mr.Prakash Iyer	- Nominee Director – Member
Mr.A.Balasubramanian	- Independent Director - Member

(iii) Meetings and Attendance during the financial year ended on 31.03.2015:

During the financial year ended on 31st March, 2015, the Nomination and Remuneration Committee met four times on 1.4.2014, 6.5.2014, 27.5.2014 and 30.3.2015.

Name of Director	Attendance at Remuneration Committee meeting
Total no. of meetings held during the year which were attended by the Members	4
Mr.V.R.Lakshminarayanan	2
Mr.K.Ganesan	4
Mr.M.Padmanabhan	4
Mr.Prakash Iyer	3
Mr.A.Balasubramanian	3

(iv) Remuneration Policy:

The Nomination and Remuneration Committee has formulated the Company's policy for appointment, remuneration and evaluation of performance of Board of Directors and Key Management Personnel, which can be viewed at the Company's website www.butterflyindia.com.

(v) Details of remuneration to all the Directors, as per format in main report:

Details of salary paid/payable to the Managing Directors and Wholetime Executive Directors during the financial year ended on 31.03.2015 are as follows:

(Rs.)

Name of Director	Salary	Perquisites	Contribution to PF/Super annuation funds	Total
V.M.Lakshminarayanan	36,00,000	7,20,000	9,72,000	52,92,000
V.M.Balasubramaniam	23,60,000	4,72,000	6,37,200	34,69,200
V.M.Seshadri	34,80,000	6,96,000	9,39,600	51,15,600
V.M.Gangadharam	33,60,000	6,72,000	9,07,200	49,39,200
V.M.Kumaresan	33,60,000	6,72,000	9,07,200	49,39,200
D.Krishnamurthy	20,40,000	4,08,000	5,50,800	29,98,800

There is no performance linked incentives or stock option for any of the Directors including the Managing Directors/Executive Directors.

The remuneration of Managing/Executive Directors given above are fixed components. The tenure of office of the Managing Directors and Wholetime Executive Directors is for a period of three/five years from their respective dates of appointment.

Mr.V.M.Lakshminarayanan and his brothers, Messrs. 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.

The tenure of office of Mr.D.Krishnamurthy, Executive Director-cum-Company Secretary is for a period of three years, covered by Service Contract with a Notice period of three months.

(vi) Directors' Sitting Fee:

The Non-Executive Directors were paid Sitting fee of Rs.10,000/- for each Board/Committee meeting attended by them. Details of such sitting fee paid to them during the financial year ended 31st March, 2015 are given below:

(Rs.)	
Name of the Director	Sitting Fees
Mr.K.Ganesan	3,80,000
Mr.V.M.Balasubramaniam	30,000
Mr.V.R.Lakshminarayanan	1,00,000
Mr.M.Padmanabhan	3,00,000
Mr.A.Balasubramaniam	1,20,000
Mr.G.S.Samuel	90,000
Mr..PrakashIyer	90,000
Mr.K.J.Kumar	20,000
Mr.T.R.Srinivasan	1,00,000
Mrs.Maheswari Mohan	10,000
TOTAL	12,40,000

Apart from the sitting fee for attending the Board/Committee meetings attended by them, none of the above-named Non-Executive Directors have any pecuniary relationship or transactions with the Company.

5. SHAREHOLDERS' RELATIONSHIP COMMITTEE:

The Shareholders' Grievance Committee, in addition to monitoring the number of shareholders' complaints, was also looking after share transfer process upto 13.2.2015 met fifteen times on 25.4.2014, 9.5.2014, 28.5.2014, 13.6.2014, 30.6.2014, 16.7.2014, 2.8.2014, 28.8.2014, 15.9.2014, 9.10.2014, 27.10.2014, 15.11.2014, 5.12.2014, 9.1.2015 and 30.1.2015.

The Committee consisted of the following Directors:

Mr.K.Ganesan - Independent Director – Member
Mr.M.Padmanabhan - Independent Director – Member

Name of Director	Attendance at Shareholders Grievance Committee meetings
Total no. of meetings held during the year which were attended by the Members	15
Mr. K.Ganesan	15
Mr.M.Padmanabhan	10

At the meeting of the Board held on 13th February 2015, the Shareholders Grievance Committee was bifurcated into (i) Shareholders' Relationship Committee and (ii) Share Transfer Committee, as follows:

(i) Shareholders Relationship Committee:

- a)** Mr.K.Ganesan, Independent Director – Chairman
- b)** Mr.M.Padmanabhan, Independent Director - Member

The reconstituted Shareholders Relationship Committee shall continue to monitor the number of shareholders' complaints received/satisfied/pending.

(ii) Share Transfer Committee:

The powers of share transfer process of the equity shares of the Company held in physical form was delegated by the Board severally to Messrs.V.M.Seshadri, Managing Director and D.Krishnamurthy, Executive Director-cum-Company Secretary.

After the above reconstitution, the Share Transfer Committee meetings were held on 14.2.2015, 2.3.2015 and 27.3.2015.

Name and designation of the Compliance Officer:

Mr.D.Krishnamurthy, Executive Director-cum-Company Secretary

Number of Shareholders' complaints received during the financial year:

During the financial year, the Company received 104 shareholders' complaints mainly pertaining to non-receipt of dividend, annual reports, share certificates sent for transfer, etc. All the complaints were duly 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 complaints: Nil

6. GENERAL BODY MEETINGS:

Location and time, where last three AGMs held :

YEAR	LOCATION	DATE	TIME
2013-2014	E-34, Rajiv Gandhi Salai, Egattur Village, Navalur – 600 130, Kancheepuram District.	31-07-2014	11.00 a.m.
2012-2013	E-34, Rajiv Gandhi Salai, Egattur Village, Navalur – 600 130, Kancheepuram District.	26-07-2013	11.00 a.m.
2011-2012	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam, Kanchipuram 603 103.	31-08-2012	11.30 a.m.

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

1. 2011-2012: YES

- a.** Under Section 309 read with Schedule XIII of the Companies Act, 1956 for revision of remuneration payable to Mr.V.M.Lakshminarayanan, Managing Director w.e.f. 01.09.2012 for the remaining period of his present tenure, i.e., 30.11.2014
- b.** Under Section 309 read with Schedule XIII of the Companies Act, 1956 for revision of remuneration payable to Mr.V.M.Seshadri, Managing Director w.e.f. 01.09.2012 for the remaining period of his present tenure, i.e., 31.5.2014.
- c.** Under Section 309 read with Schedule XIII of the Companies Act, 1956 for revision of remuneration payable to Mr.V.M.Gan-gadharam, Executive Director w.e.f. 01.09.2012 for the remaining period of his present tenure, i.e., 30.09.2013

- d. Under Section 309 read with Schedule XIII of the Companies Act, 1956 for revision of remuneration payable to Mr.V.M. Kumaresan, Executive Director-Technical w.e.f. 01.09.2012 for the remaining period of his present tenure, i.e., 31.05.2013
- e. Under Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 for reappointment of Mr.V.M.Kumaresan as Executive Director-Technical w.e.f. 01-06-2013.

2. 2012-13– YES

- a. Under Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 for reappointment of Mr.V.M.Seshadri as Managing Director of the Company for a period of three years w.e.f. 1.6.2014.
- b. Under Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 for reappointment of Mr.V.M.Gangadharam as Executive Director of the Company for a period of three years w.e.f. 1.10.2013.
- c. Under Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 for appointment of Mr.D.Krishnamurthy as wholtime Executive Director-cum-Company Secretary of the Company for a period of three years w.e.f. 1.6.2013.
- d. Under Section 314(1)(b) of the Companies Act 1956 read with Rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules 2003, seeking consent of the Company for Mr.V.M.S.Kumaraguru to hold office or place of profit as Head-Export Operations of the Company with retrospective effect 01.01.2013.
- e. Under Section 314(1)(b) of the Companies Act, 1956 read with Rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 for the appointment of Mr.V.M.L.Karthikeyan as Executive Vice-President-Marketing of the Company with revised remuneration with retrospective effect from 01.06.2013.
- f. Under Section 314(1)(b) of the Companies Act, 1956 read with Rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 for the appointment of Mr.V.M.G.Viswanathan as Senior General Manager- Materials Management of the Company with revised remuneration with retrospective effect from 01.06.2013.
- g. Under Section 314(1)(b) of the Companies Act, 1956 read with Rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 for the appointment of Mr.V.M.L.Senthilnathan as Senior General Manager-Technical of the Company with revised remuneration with retrospective effect from 01.06.2013.
- h. Under Section 314(1)(b) of the Companies Act, 1956 read with Rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 for the appointment of Mr.V.M.L.Ganesan as General Manager-Marketing of the Company with revised remuneration with retrospective effect from 01.06.2013.
- i. Under Section 314(1)(b) of the Companies Act, 1956 read with Rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 for the appointment of Mr.V.M.S.Selvamuthukumaran as General Manager- Marketing of the Company with revised remuneration with retrospective effect from 01.06.2013.
- j. Under Section 314(1)(b) of the Companies Act, 1956 read with Rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 for the appointment of Mr.V.M.G.Mayuresan as General Manager-Corporate Strategy of the Company with revised remuneration with retrospective effect from 01.06.2013.

3. 2013-14 - YES

Special Resolutions passed under the Companies Act 2013 :

- a. Pursuant to Sections 14 and 15, amendment of articles 83 and 89 of the Articles of Association of the Company.
- b. Pursuant to Sections 196, 197 and 203, reappointment of Mr.V.M. Lakshminarayanan as Chairman & Managing Director for a period of five years w.e.f. 1.12.2014.
- c. Pursuant to Sections 196, 197 and 203, appointment of Mr.V.M. Balasubramaniam as Managing Director for a period of five years w.e.f. 1.8.2014.

- d. Pursuant to Section 188(1)(f), appointment of Mr.V.M.B.Shanmuganathan as General Manager – Marketing w.e.f. 01.08.2014.
- e Pursuant to Section 188(1)(f), appointment of Mr.V.M.K.Sivashanmugam as Deputy General Manager – Designs w.e.f. 01.08.2014.
- f. Pursuant to Section 188(1)(f), re-designation of Mr.V.M.L.Ganesan as General Manager – Finance w.e.f. 01.08.2014.
- g. Pursuant to Section 180, powers of the Board to borrow moneys up to Rs.120 crores.
- (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: No
- (v) Procedure for Postal Ballot: Not Applicable

7. DISCLOSURES:

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

There was no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31st March, 2015 that may have a potential conflict with the interest of the Company at large, excepting related party transactions made during the year, which continued to be covered by approval of the Central Government u/s.297 of the Companies Act, 1956 and/or 'arm's length' transactions in the normal course of Company's business as approved by the Audit Committee/Board of Directors u/s.188 of the Companies Act 2013.

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

(iii) Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee.

Whistle Blower Policy of the Company can be visited at its website www.butterflyindia.com. The Company has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and it has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the clause:

All the applicable mandatory requirements have been complied with.

8. MEANS OF COMMUNICATION

- | | | |
|--|-----|--|
| (i) Quarterly results | ... | The Unaudited Quarterly financial results are published in Newspapers as required under the Listing Agreement. |
| (ii) Newspapers wherein results normally published | ... | Economic Times (English)
Business Standard (English)
Business Line (English)
Trinity Mirror (English)
Makkal Kural (Tamil) |
| (iii) Any website, where displayed | ... | www.butterflyindia.com |
| (iv) Whether it also displays official news releases | ... | Yes, whenever necessary. |
| (v) The presentations made to institutional investors or analyst | ... | Nil |

9. GENERAL SHAREHOLDER INFORMATION:

Date, time and venue of Annual General Meeting:

- i. The Twenty eighth Annual General Meeting will be held at the Company's Registered Office at 143, Puduapkkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District on Thursday 20th August, 2015 at 11.00 a.m.
- ii. Financial year: 1st April, 2014 to 31st March, 2015
- iii. Date of Book Closure: 17th to 20th August 2015 (both days inclusive)
- iv. Dates for remote e-voting : 17.8.2015 (9.00 a.m.) to 19.8.2015 (5.00 p.m)
- v. Listing on Stock Exchanges:
 - a. The BSE Ltd., Mumbai
 - b. National Stock Exchange of India Ltd., Mumbai

Annual Listing Fees has been paid to both the above Stock Exchanges.

vi. Stock Code:

1. The Bombay Stock Exchange Ltd : 517421
2. National Stock Exchange of India Ltd : BUTTERFLY

vii. Demat ISIN Numbers: INE295F01017

viii. Market Price Data (High/Low) during financial year 2014-2015

(Rs.)

Sl.No.	Month	Month's Highest		Month's Lowest	
		BSE	NSE	BSE	NSE
01	April, 2014	345.00	344.95	282.00	315.05
02	May, 2014	344.95	346.80	260.00	275.15
03	June, 2014	330.00	355.80	281.10	285.00
04.	July, 2014	315.00	319.95	284.00	280.50
05.	August, 2014	310.00	309.95	270.00	266.75
06.	September, 2014	300.00	302.00	265.00	264.60
07.	October, 2014	296.00	294.50	255.05	262.00
08.	November, 2014	289.00	290.00	255.00	250.00
09.	December, 2014	308.55	267.80	203.00	207.00
10.	January, 2015	282.00	285.00	207.00	200.25
11.	February, 2015	274.00	270.00	203.10	204.95
12.	March, 2015	221.40	230.00	170.50	170.35

ix. Performance in comparison to BSE Sensex and CNX Nifty:

On an annual basis, for financial year 2014-15, the Company delivered a return of (35%) as compared to BSE Sensex return of 25% and CNX Nifty return of 26%.

Strong performance by indices of BSE and CNX Nifty was mainly attributable to an improved investment climate due to change of Government at center, turning of interest rate cycle, fall in commodity prices, improved trade balance and stable fiscal position which led to strong flows into equities from domestic and overseas.

Combined effect of macro factors such as subdued consumer demand, moderated festival sales and lower market volumes coupled with belated Government Orders during the fiscal affected the financial performance of the Company. Further, costs incurred to support strategic growth initiatives of the Company resulted in lower profitability during the year. The cascading effect of these factors led to temporary headwinds in the Company's financial performance during the fiscal, which further reflected on the stock price performance of the Company.

x. Registrars and Share Transfer Agents:

The Shareholding in the Company are partly dematerialized and partly in physical form. The Share management, both physical and demat, is being handled by the Registrars and Share Transfer Agents of the Company, 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.

xi. Share Transfer System:

Share transfers in physical form are registered and despatched within 30 days from the date of receipt, if documents are complete in all respects. The Share Transfer Committee of the Board meets as often as needed to approve transfer/transmission of the shares in physical form processed by the Registrars and Share Transfer Agents.

xii. Shareholding Pattern as at 31.3.2015

CATEGORY		NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
A	Promoter's holding Promoters, their relatives and Bodies Corporate	11644778	65.13
B	Non-Promoters Holding		
1	INSTITUTIONAL INVESTORS		
	Private Equity Investor	2451000	13.71
	Mutual Funds/UTI	446039	2.49
	Financial Institutions/Banks	2000	0.01
2	NON-INSTITUTIONAL INVESTORS		
	a. BodiesCorporate	389939	2.18
	b. Indian Public	2843588	15.91
	c. NRIs	102207	0.57
	GRAND TOTAL	1,78,79,551	100.00

xii. Distribution of shareholding as on 31.03.2015:

No. Of Equity Shares Held	No. Of Share holders	%	No. of Shares Held	%
1 – 500	13249	95.22	1220874	6.83
501 – 1000	314	2.26	255890	1.43
1001 – 2000	153	1.10	220472	1.23
2001 – 3000	62	0.45	154439	0.86
3001 – 4000	21	0.15	74033	0.41
4001 – 5000	22	0.16	104739	0.59
5001 – 10000	40	0.29	300483	1.68
Above 10000	53	0.38	15548621	86.96
Total	13914	100.00	17879551	100.00
No. of shares held in physical form	9066	65.16	862863	4.83
No. of Shares held in electronic mode	4848	34.84	17016688	95.17
Total	13914	100.00	17879551	100.00

- xiii.** Dematerialisation of shares and liquidity: As on 31.03.2015, 95.17% of the paid-up capital has been dematerialised.
- xiv.** Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity : No such instruments have been issued by the Company.
- xv.** 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

xvi. 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 at their address given vide (x) above. Complaints, if any, can also be addressed to the Executive Director-cum-Company Secretary at the Corporate Office at E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur – 600 130, Kancheepuram District or sent by email to butterflyho@butterflyindia.com or edcs@butterflyindia.com.

DECLARATION – CODE OF CONDUCT

All Board members and senior management personnel have, for the financial year ended on 31st March, 2015, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the clause 49 of the Listing Agreement entered with the Stock Exchanges.

Place : Navalur – 600 130

Date : 10.06.2015

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

CODE OF CONDUCT

The Code of Conduct adopted by the Company for its Board and the Senior Management Members is furnished below:

“Members of the Board and the Senior Management, shall

- a) Always act in the best interests of the Company and its stakeholders.
- b) Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with all matters relating to the Company.
- c) Apply themselves diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and the progress of the Company, and not be associated simultaneously with competing organization either as a Director or in any managerial or advisory capacity.
- d) Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company avoiding violations or non-conformities.
- e) Not derive personal benefit or undue advantages (financial or otherwise) by virtue of their position or relationship with the Company, and for this purpose:
 - (i) shall adopt total transparency in their dealings with the Company.
 - (ii) shall disclose full details of any direct or indirect personal interests in dealings/transactions with the Company.
 - (iii) shall not be party to transactions or decisions involving conflict between their personal interest and the Company's interest.

- f) Conduct themselves and their activities outside the Company in such manner as not to adversely affect the image or reputation of the Company
- g) Bring to the attention of the Board, Chairman or the Managing Director as appropriate, any information or development either within the Company (relating to its employees or stakeholders) or external, which could have an impact on the Company's operations, and which in the normal course may not have come to the knowledge of the Board/Chairman or Managing Director.
- h) Always abide by the above Code of Conduct, and shall be accountable to the Board for their actions/violations/default.

Place : Navalur – 600 130
Date : 10.06.2015

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

MD/CFO CERTIFICATION UNDER CLAUSE 49(IX) OF THE LISTING AGREEMENT

To

The Board of Directors
Butterfly Gandhimathi Appliances Limited

- A. We have reviewed financial statements and the cash flow statement for the year 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 changes in internal control over financial reporting during the year;
 - 2. There is no significant changes in accounting policies during the year, 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

(SUNIL BHANSALI)
CHIEF FINANCIAL OFFICER

Place : Navalur – 600 130
Date: 25.05.2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

We have examined the compliance of conditions of Corporate Governance by Butterfly Gandhimathi Appliances Ltd ('the Company') for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For RUDHRAKUMAR ASSOCIATES
Chartered Accountants
Registration No.007033S

Chennai – 600 017
Date – 26.05.2015

R.RUDHRAKUMAR
Proprietor
Membership No. of ICAI: 019444

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Butterfly Gandhimathi Appliances Limited ("the Company"), which comprises the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these 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 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 financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of Sub-Section (11) of section 143 of 'the Act', we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

9. 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 purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements, comply with the Accounting Standards specified under Section 133 of 'the Act', read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the Directors as on 31 March 2015, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2015, from being appointed as a Director in terms of section 164(2) of 'the Act';
- (f) With respect to 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 explanations give to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note 24 to the financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company.

For RUDHRAKUMAR ASSOCIATES
Chartered Accountants
Registration No.007033S

R.RUDHRAKUMAR
Proprietor
Membership No. : 019444

Chennai – 600 017
Date – 26.05.2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERFLY GANDHIMATHI APPLIANCES LIMITED.

(Referred to in our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets are physically verified by the management in a phased manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable in relation to the size of the Company and the nature of its business.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of 'the Act'.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (v) of Para 3 of the Order are not applicable to the Company.
- (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 not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess and other statutory dues with the appropriate authorities.
- (b) The details of the disputed Statutory dues which have not been deposited are as under:

Sl. No	Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Forum where the dispute is pending
1.	Central Excise Act, 1944	Excise Duty, Interest and penalty	1006.09	CESTAT, Chennai
2.	VAT Acts.	Sales Tax	115.95	Deputy Commissioner (Appeals)
3.	ESI Act	ESI contribution / interest / damages	26.05	Principal Labour Court, Chennai
4.	Labour Act	Additional Compensation	47.08	Principal Labour Court, Chennai

- (c) According to the information and explanation given to us, no amount is required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 and rules made thereunder.

- (viii) The Company has no accumulated losses at the end of the financial year and has not incurred cash losses during this financial year and in the immediately preceding financial year.
- (ix) 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. The Company has not issued any debentures during the year.
- (x) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) In our opinion, the term loans availed by the Company have been applied for the purpose for which they were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For RUDHRAKUMAR ASSOCIATES
Chartered Accountants
Registration No.007033S

R.RUDHRAKUMAR
Proprietor
Membership No. : 019444

Chennai – 600 017
Date – 26.05.2015

BALANCE SHEET AS AT 31ST MARCH, 2015

₹ In lakhs

Particulars	Note No	As at 31st March 2015		As at 31st March 2014	
I EQUITY AND LIABILITIES					
1 Shareholders' Funds					
a Share Capital	1	1,787.95		1,787.95	
b Reserves and Surplus	2	20,778.81	22,566.76	20,582.15	22,370.10
2 Non-Current Liabilities					
a Long-Term Borrowings	3	6,828.34		1,577.30	
b Deferred Tax Liabilities (Net)	4	107.31		-	
c Other Long-Term Liabilities	5	365.76		387.02	
d Long-Term Provisions	6	396.40	7,697.81	328.30	2,292.62
3 Current Liabilities					
a Short-Term Borrowings	7	10,634.24		15,770.97	
b Trade Payables	8	11,825.11		20,807.88	
c Other Current Liabilities	9	3,790.08		3,335.87	
d Short-Term Provisions	10	377.61	26,627.04	491.98	40,406.70
TOTAL			56,891.61		65,069.42
II ASSETS					
1 Non-Current Assets					
a Fixed Assets					
i) Tangible Assets	11	12,071.58		10,583.15	
ii) Intangible Assets	11	5,092.89		5,336.95	
iii) Capital Work-in-Progress	12	292.26		450.44	
b Non-Current Investments		-		-	
c Deferred Tax Assets (Net)	4	-		31.88	
d Long-Term Loans and Advances	13	84.53	17,541.26	-	16,402.42
2 Current Assets					
a Current Investments		-		-	
b Inventories	14	16,886.88		16,722.61	
c Trade Receivables	15	19,292.12		27,933.58	
d Cash and Bank Balances	16	1,546.34		1,999.19	
e Short-Term Loans and Advances	17	1,625.01	39,350.35	2,011.61	48,667.00
TOTAL			56,891.61		65,069.42

Contingent Liabilities & Commitments

(To the extent not provided for)

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Other Notes to the Financial Statements

25

V.M.LAKSHMINARAYANAN

Chairman & Managing Director

V.M.SESHADRI

Managing Director

A.BALASUBRAMANIAN

Director

D.KRISHNAMURTHY

Executive Director-cum-Company Secretary

SUNIL BHANSALI

CFO

As per our report attached of even date

for Rudhrakumar Associates

Chartered Accountants

(Registration No: 007033S)

R.Rudhrakumar

Proprietor

Membership No. 019444

Place: Navalur (Kanchipuram District) - 600130.

Date: 26th May, 2015.

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

₹ In lakhs

Particulars	Note No	2014-15	2013-14
1 INCOME			
a. Revenue from Operations (Gross)	18	57,719.28	83,886.82
Less: Excise Duty		4,821.30	7,468.69
Revenue from Operations (Net)		52,897.98	76,418.13
b. Other Income	19	435.43	654.68
TOTAL REVENUE		53,333.41	77,072.81
2 EXPENSES			
a. Cost of Materials Consumed	20	24,830.17	48,357.67
b. Purchases of Finished Goods Stock-in-Trade		6,527.67	8,537.83
c. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		387.30	-4,873.76
d. Employee Benefit Expenses	21	6,033.83	6,081.37
e. Other Expenses	22	11,151.50	12,816.87
f. Depreciation and Amortization	11	1,023.62	509.26
g. Finance Cost	23	2,956.84	2,209.60
TOTAL EXPENSES		52,910.93	73,638.84
3 Profit before Exceptional and Extraordinary Items and Tax (1-2)		422.48	3,433.97
4 Exceptional Items		-	-
5 Profit Before Extraordinary Items and Tax (3-4)		422.48	3,433.97
6 Extraordinary items		-	-
7 Profit Before Tax (5-6)		422.48	3,433.97
8 Tax Expenses			
a. Current Tax - Minimum Alternative Tax (MAT)		84.53	887.18
b. MAT Credit Entitlement		-84.53	-
c. Deferred Tax		139.19	305.37
9 Profit/(Loss) for the year (7-8)		283.29	2,241.42

Other Notes to the Financial Statements

25

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

V.M.SESHADRI
Managing Director

A.BALASUBRAMANIAN
Director

D.KRISHNAMURTHY
Executive Director-cum-Company Secretary

SUNIL BHANSALI
CFO

As per our report attached of even date
for Rudhrakumar Associates
Chartered Accountants
(Registration No: 007033S)

R.RUDHRAKUMAR
Proprietor
Membership No. 019444

Place: Navalur (Kanchipuram District) - 600130.
Date: 26h May, 2015.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

₹ In lakhs

Particulars	Financial Year ended on 31st March 2015	Financial Year ended on 31st March 2014
CASH FLOW FROM OPERATING ACTIVITIES:		
PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS	422.48	3,433.97
Add:		
Depreciation and Amortization	1,023.62	509.26
Finance Cost	2,956.84	2,209.60
Interest Received	-140.22	-170.36
Loss on Sale of Asset	6.53	21.27
Cash Generated From Operations Before Working Capital Changes	4,269.25	6,003.74
Adjustments For:		
Decrease/(Increase) In Trade Receivables	8,641.46	-8,384.28
Decrease/(Increase) In Inventory	-164.27	-843.20
Decrease/(Increase) In Loans And Advances	521.60	309.00
(Decrease)/Increase In Trade Payables and Provisions	-8,596.10	-3,817.24
Cash Generated From Operations	4,671.95	-6,731.98
Less:		
Direct Taxes Paid	135.00	945.00
Deferred Tax Asset Transfer	-	-
Net Cash From Operating Activities (A)	4,536.95	-7,676.98
CASH FLOW FROM INVESTING ACTIVITIES		
Sale Of Fixed Assets	8.90	15.15
Purchase Of Fixed Assets	-2,284.47	-1,757.40
Intangible Assets	-85.57	-4,901.32
Decrease/(Increase) In Capital Work In Progress	158.18	-66.51
Increase/(Decrease) In Long Term Assets	-84.53	-
Interest Received	140.22	170.36
Net Cash From Investing Activities (B)	-2,147.27	-6,539.72
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Long Term Borrowings	5,251.04	379.23
Proceeds of Short Term Borrowings	-5,136.73	13,420.52
Finance Cost	-2,956.84	-2,209.60
Net Cash From Financing Activities (C)	-2,842.53	11,590.16
NET INFLOW/(OUTFLOW) (A) + (B) + (C)	-452.85	-2,626.54
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents (Opening)	1,999.19	4,625.74
Cash and Cash Equivalents (Closing)	1,546.34	1,999.19
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-452.85	-2,626.54

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

V.M.SESHADRI
Managing Director

A.BALASUBRAMANIAN
Director

D.KRISHNAMURTHY
Executive Director-cum-Company Secretary

SUNIL BHANSALI
CFO

As per our report attached of even date
for Rudhrakumar Associates
Chartered Accountants
(Registration No: 007033S)

R.RUDHRAKUMAR
Proprietor
Membership No. 019444

Place: Navalur (Kanchipuram District) - 600130.
Date: 26th May, 2015.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

₹ In lakhs

NOTE 1**SHARE CAPITAL****a Authorised**

4,00,00,000 Equity Shares of ₹ 10/- each

4,000.00

4,000.00

b Issued Subscribed and Fully Paid-up

1,78,79,551 Equity Shares of ₹ 10/- each

1,787.95

1,787.95

c Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

There is no change in the holding of the Share Capital during the year 2014-15.

d Rights, Preferences and restrictions

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each member is entitled to one vote by show of hands and while on poll, every shareholder is entitled to vote in proportion to their holdings.

e Shares in the company held by each shareholder holding more than 5 % shares as at

LLM Appliances Limited

30.47

30.47

V.M. Chettiar & Sons India Private Limited

28.35

* 28.35

Reliance Alternative Investments Services Private Limited

24.51

24.51

Mr.V.M.Seshadri

12.51

12.51

Mr.V.M.Lakshminarayanan

10.01

10.01

* The shares held in the name of Butterfly Marketing (P) Limited as on 31.03.2014, which are required to be transferred in the name of V.M. Chettiar & Sons India Private Limited consequent to the merger of the former with the latter during the year under a 'Scheme of Amalgamation' is under process.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

₹ In lakhs

NOTE 2

RESERVES AND SURPLUS

a General Reserve

As per last Balance sheet

Add: Transfer from Surplus

Less: Residual value of assets, whose useful life exhausted

563.23

-

86.63

476.60

563.23

-

563.23

b Capital Profit

(i) Forfeited Shares (Transferred from Share Capital)

(No. of Shares 34,756)

1.73

1.73

(ii) On Redemption of Preference Shares issued by erstwhile Gangadharam Appliances Limited to IFCI

As per last Balance sheet

142.10

142.10

c Securities Premium Reserve (Share Premium Account)

As per last Balance sheet

9,701.53

9,701.53

d Revaluation Reserve

As per last Balance sheet

80.08

80.08

e Surplus

As per last Balance sheet

10,093.48

7,852.06

Add: Profit after tax for the year

283.29

2,241.42

10,376.77

10,093.48

Less:

(i) Appropriations

-

10,376.77

-

10,093.48

TOTAL

20,778.81

20,582.15

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015**NOTE 3****NON CURRENT LIABILITIES**

₹ In lakhs

LONG TERM BORROWINGS**A SECURED BORROWINGS**

- a** Term Loan from State Bank of Travancore
(Secured by first charge by way of hypothecation of specific Plant and Machinery purchased out of the loan and also by pari passu first charge on other fixed assets of the Company, Equitable Mortgage of certain land and building of the Company at Pudukkham along with personal Guarantee of Promoter Directors)
- b** Term Loan from Ratnakar Bank Ltd,
(Secured by Retention money held by Tamil Nadu Civil Supplies corporation (TNCSC))
- c** Term Loan from Axis Bank Ltd,
Secured by Equitable mortgage of certain land and building at Pudukkham Village and subservient charges on Current Assets excluding Retention Money receivable from Tamil Nadu Civil Supplies Corporation (TNCSC) along with personal Guarantee of Promoter Directors
- d** Vehicle Loan from HDFC, ICICI & Kotak Bank,
(Secured by hypothecation of Vehicles purchased out of loan)
- e** From Fullerton India Credit Company Limited
[Secured by Equitable Mortgage of undivided land and office complex building at Egattur]

B UNSECURED BORROWINGS

- a** Aditya Birla Finance Limited
- b** Religare Finvest Limited

TOTAL

Note

- (i) Terms of Repayment for Term loans from bank 5 to 6 years, for Vehicle Loan 3 to 5 years and for Fullerton India Credit Co Limited 3 & 10 years
- (ii) There is no default as on Balance Sheet date on the repayment of long term borrowings and the interest due thereon.

NOTE 4**DEFERRED TAX LIABILITIES (NET)**

- a** Deferred Tax Liabilities / (Assets)
Balance brought forward from last Balance Sheet
- b** Deferred Tax Liability
Depreciation, etc.,

TOTAL**DEFERRED TAX ASSET**

- a** Balance brought forward from last Balance Sheet
- b** Deferred Tax Liability
Depreciation, etc.,

TOTAL

	As at 31st March, 2015		As at 31st March, 2014	
	660.06		356.85	
	1,342.10		-	
	2,465.28		-	
	74.08		129.57	
	815.74	5,357.26	512.06	998.48
	1,202.54		285.87	
	268.54	1,471.08	292.95	578.82
TOTAL	6,828.34		1,577.30	
	-31.88		-	
	139.19		-	
TOTAL	107.31		-	
	-		337.25	
	-		305.37	
TOTAL	-		31.88	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

NOTE 5

₹ In lakhs

OTHER LONG TERM LIABILITIES

UNSECURED

Security Deposit from Distributors

TOTAL

As at 31st March, 2015	As at 31st March, 2014
365.76	387.02
365.76	387.02
396.40	328.30
396.40	328.30
10634.24	15770.97
10634.24	15770.97
6,144.61	6,956.78
5,680.50	13,851.10
11,825.11	20,807.88

NOTE 6

LONG TERM PROVISIONS

Provision for Employee Benefits - Gratuity and Superannuation Payable

TOTAL

NOTE 7

CURRENT LIABILITIES

SHORT TERM BORROWINGS - SECURED

Loans repayable on demand from Banks

(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)

TOTAL

NOTE 8

TRADE PAYABLES

A SECURED

Sundry Creditors under Letter of Credit

B UNSECURED

Sundry Creditors

TOTAL

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

NOTE 9

₹ In lakhs

OTHER CURRENT LIABILITIES

A SECURED BORROWINGS

Current Maturities of Long-Term Debt

i) Term Loan from State Bank of Travancore

(Secured by first charge by way of hypothecation of specific Plant and Machinery purchased out of the loan and also by paripassu first charge on other fixed assets of the Company, Equitable Mortgage of certain land and building of the Company at Pudupakkam along with personal Guarantee of Promoter Directors)

ii) Term Loan from Ratnakar Bank Ltd,

(Secured by Retention money held by Tamil Nadu Civil Supplies corporation (TNCSC))

iii) Term Loan from Axis Bank Ltd,

Secured by Equitable mortgage of certain land and building at Pudupakkam Village and subservient charges on Current Assets excluding Retention Money receivable from Tamil Nadu Civil Supplies Corporation (TNCSC) along with personal Guarantee of Promoter Directors

iv) Vehicle Loan from HDFC, ICICI & Kotak Bank,

(Secured by hypothecation of Vehicles purchased out of loan)

v) Plant and Machinery Loan

(Secured by hypothecation of specific Plant and Machinery purchased out of loan)

vi) From Fullerton India Credit Company Limited

[Secured by Equitable Mortgage of undivided land and office complex building at Egattur]

B UNSECURED BORROWINGS

i) Aditya Birla Finance Limited

ii) Religare Finvest Limited

C Unclaimed Dividend

D Provision for Expenses

E Statutory Dues

F Advance from Customers

G Hedge Liability and Deffered forward contract account

	As at 31st March, 2015		As at 31st March, 2014	
	668.00		668.00	
	329.50		-	
	34.72		-	
	97.71		124.11	
	-		0.83	
	68.08	1,198.01	80.41	873.35
	352.08		317.19	
	22.31	374.39	18.94	336.13
		28.32		28.41
		1,056.47		1,418.65
		864.77		419.66
		203.67		259.67
		64.45		-
TOTAL	3,790.08		3,335.87	

Note

(i) Terms of Repayment for Term loans from bank 5 to 6 years, for Vehicle Loan 3 to 5 years and for Fullerton India Credit Co Limited 3 & 10 years

(ii) There is no default as on Balance Sheet date on the repayment of term loan borrowings and the interest due thereon.

Note 10

SHORT TERM PROVISIONS

UNSECURED

a Due to Directors

b Employee Benefits

	5.25	137.92
	372.36	354.06
TOTAL	377.61	491.98

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015.

NON CURRENT ASSETS

NOTE: 11

FIXED ASSETS

TANGIBLE ASSETS

TANGIBLE ASSETS		GROSS BLOCK - AT COST			DEPRECIATION / AMORTISATION				NET BLOCK		₹ In lakhs
Particulars	As at 1st April 2014	Additions	Deletions	As at 31st March, 2015	As at 1st April 2014	Deduction	For the Year	Transfer To General Reserve	As at 31st March, 2015	As at 31st March, 2014	
Land (Freehold)	4,020.02	-	-	4,020.02	-	-	-	-	-	4,020.02	4,020.02
Buildings (Freehold)	2,160.47	973.37	-	3,133.85	288.67	-	82.71	5.12	376.50	2,757.35	1,871.80
Plant & Machinery	2,867.31	359.24	-	3,226.55	624.31	-	196.32	-	820.63	2,405.92	2,243.00
Dies & Tools	1,400.25	331.74	-	1,731.99	721.79	-	115.30	32.87	869.96	862.03	678.46
Electrical Machinery & Installations	267.41	210.17	-	477.58	73.94	-	28.13	2.90	104.97	372.61	193.46
Computers	268.67	114.31	-	382.98	149.18	-	61.71	15.78	226.67	156.31	119.49
Office Equipments	148.95	42.98	-	191.93	30.10	-	25.79	12.51	68.40	123.53	118.85
Vehicles	861.55	70.46	35.15	896.86	249.80	19.72	94.27	0.79	325.14	571.72	611.75
Furniture & Fittings	904.24	182.19	-	1,086.43	177.92	-	89.77	16.65	284.34	802.09	726.32
Total	12,898.86	2,284.47	35.15	15,148.19	2,315.72	19.72	693.99	86.63	3,076.61	12,071.58	10,583.15

INTANGIBLE ASSETS

Usage Right of Trade Mark	400.00	-	-	400.00	192.00	-	16.00	-	208.00	208.00
Trade Mark and Licence	4,775.00	-	-	4,775.00	-	-	238.75	-	4,536.25	4,775.00
Computer Software	406.87	85.57	-	492.44	52.92	-	74.88	-	364.64	353.95
Total	5,581.87	85.57	-	5,667.44	244.92	-	329.63	-	5,092.89	5,336.95
Grand Total	18,480.73	2,370.04	35.15	20,815.63	2,560.64	19.72	1,023.62	86.63	3,651.16	15,920.10
Previous Year	11,894.93	6,658.72	72.92	18,480.73	2,071.91	20.50	509.26	-	2,368.64	9,807.03

Notes:

1. Vehicles includes Assets acquired on "Hire Purchase"
2. Freehold Land includes ₹ 10,00,000/- in respect of which the transfer of title deeds in the name of the company is pending.
3. Usage Right of Trade Marks represents assignment of trade marks for future usage and is amortised over the estimated useful life viz., 25 years.
4. For tangible fixed assets that had completed useful life as on 01.04.2014, please refer para no. 12 of Note 25.
5. Additions to Plant & Machinery includes machineries purchased under term loan assistance from banks.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

₹ In lakhs

NON CURRENT ASSETS**NOTE 12****FIXED ASSETS****CAPITAL WORK IN PROGRESS**

	As at 31st March, 2015	As at 31st March, 2014
Building	3.13	72.33
Plant & Machinery	47.92	97.21
Dies & Tools	230.19	185.69
Other Assets	11.01	95.21
TOTAL	292.26	450.44

NOTE 13**LONG-TERM LOANS AND ADVANCES**

Mat Credit Entitlement	84.53	-
TOTAL	84.53	-

CURRENT ASSET**NOTE 14****INVENTORIES (As taken, valued and certified by the Managing Director)**

Raw Materials and Components (includes Goods-in Transit ₹ 451.55 lakhs - Previous year ₹ Nil)	5,622.79	5,110.37
Spares	105.34	73.12
Stores	10.63	9.94
Packing Materials	162.80	156.57
Work in Progress	1,667.35	1,646.06
Finished Goods	3,132.37	3,325.81
Finished Goods - Traded (includes Goods-in Transit ₹ 15.68 lakhs - Previous year ₹ 13.99 lakhs)	6,185.60	6,400.74
TOTAL	16,886.88	16,722.61

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

CURRENT ASSET

NOTE 15

₹ In Lakhs

TRADE RECEIVABLES

UNSECURED CONSIDERED GOOD

	As at 31st March, 2015		As at 31st March, 2014	
a Outstanding for a period more than six months from the date they became due for payment	1230.36		463.04	
Less: Provision for Doubtful Debts	174.14	1,056.22	141.00	322.04
b Others	15,748.48		22,527.67	
c Retention Money - Tamilnadu State Civil Supplies Corporation	2,487.42	18,235.90	5,069.68	27,597.35
d Amount due from Firms and Private Companies in which Directors of the Company are interested as Partner/Director/Member.		-		14.19
TOTAL		19,292.12		27,933.58

NOTE 16

CASH AND BANK BALANCES

a Balance with Banks				
(i) In Current Accounts	197.34		448.17	
(ii) Term Deposit with Banks (Margin Money)	1,243.06		1,515.08	
(iii) Unclaimed Dividend account	28.32	1,468.72	28.41	1,991.66
b Cash and Cash Equivalents		77.62		7.53
TOTAL		1,546.34		1,999.19

NOTE 17

SHORT TERM LOANS AND ADVANCES

UNSECURED - CONSIDERED GOOD

a Balance with Government Authorities	598.00		620.62	
b Advance to PEC Limited	-		364.28	
c Advances on Capital Account	6.48		62.54	
d Other Advances	1,020.53		964.17	
TOTAL		1,625.01		2,011.61

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

₹ In lakhs

Particulars	2014-15		2013-14	
NOTE 18				
REVENUE FROM OPERATIONS				
Sale of Products	57,719.28		83,886.82	
Less: Excise duty	4,821.30		7,468.69	
TOTAL	52,897.98		76,418.13	
NOTE 19				
OTHER INCOME				
a Interest on Bank Deposit & Others (Gross TDS ₹ 6.40 lakhs - Previous year ₹ 17.00 lakhs)	140.22		170.36	
b Scrap Sales	283.97		466.71	
c Bad Debts Recovered/Prov. for Doubtful debts not required	1.35		4.82	
d Other Non-operating Income	9.89		12.79	
TOTAL	435.43		654.68	
NOTE 20				
COST OF MATERIALS CONSUMED				
a Raw material Consumption				
Opening Balance				
Raw Materials & Components	5,110.37		9,185.03	
Packing Material	156.57		119.00	
Spares	73.12	5,340.05	68.28	9,372.31
Add: Purchases				
Raw Materials & Components	22,166.72		39,471.68	
Packing Material	1,245.77		1,890.04	
Processing Charges	1,057.16		1,838.21	
Spares	342.66		653.77	
Freight Inward	568.74	25,381.05	471.72	44,325.42
Less Closing Stock				
Raw Materials & Components	5,622.79		5,110.37	
Packing Material	162.80		156.57	
Spares	105.34	5,890.93	73.12	5,340.06
		24,830.17		48,357.67
b Purchase of Finished Goods - Stock-in-trade		6,527.67		8,537.83
c Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade				
Opening Balance	1,646.06		1,451.72	
Work in Progress	9,726.55	11,372.62	5,047.13	6,498.85
Stock-in-Trade - Finished Goods				
Less Closing Balance				
Work in Progress	1,667.35		1,646.06	
Stock-in-Trade - Finished Goods	9,317.97	10,985.32	9,726.55	11,372.62
		387.30		-4,873.76
TOTAL	31,745.14		52,021.74	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

₹ In lakhs

Particulars	2014-15	2013-14
NOTE 21		
EMPLOYEE BENEFIT EXPENSES		
a Directors' Remuneration, Perquisites and Commission	218.40	320.41
b Salaries and Wages	4,526.76	4,206.74
c Bonus and Others	304.01	251.25
d Contribution to Provident and Other Funds	343.29	280.52
e Contribution to Gratuity & Superannuation Funds	74.23	206.92
g Leave Travel Concession	20.10	12.96
f Staff Welfare Expenses	547.04	802.57
TOTAL	6,033.83	6,081.37
NOTE 22		
OTHER EXPENSES		
Consumption of Stores	50.45	70.03
Commission on Sales	961.60	1,106.33
Freight Outward	1,355.73	1,518.64
Advertisement, Publicity & Sales Promotion	3,722.37	4,860.28
Discount on Sales	248.23	206.62
Power and Fuel	644.86	691.92
Directors' Sitting fees	14.06	17.79
Rent	800.27	825.96
Insurance	33.61	58.00
Rates & Taxes	118.51	143.33
Repairs and Maintenance		
Building	89.55	110.47
Plant & Machinery	61.34	93.36
Other Assets	214.42	262.30
Auditors' Remuneration		
Statutory Audit fees	4.00	4.00
Company Law matters	3.50	3.50
Taxation matters	2.50	2.50
Other Services	30.60	25.75
Cost Audit fees	1.75	1.88
Provision for doubtful debts	34.49	-
Loss on Sale of Assets	6.53	21.27
Travelling Expenses	1,299.47	958.26
Professional & Consultancy Charges	211.69	223.83
Other Expenses	1,241.97	1,610.86
TOTAL	11,151.50	12,816.87

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

₹ In lakhs

Particulars	2014-15	2013-14
NOTE 23		
FINANCE COST		
a On Term Loan from Banks	249.24	60.44
b On Cash Credit from Banks	1,592.75	953.89
c Interest Paid on Security Deposit	38.70	34.14
d Interest Paid on Others	476.22	414.21
e Processing Fees	307.49	211.92
f Exchange Fluctuation / Loss	292.44	535.00
TOTAL	2,956.84	2,209.60
 V.M.LAKSHMINARAYANAN Chairman & Managing Director	 V.M.SESHADRI Managing Director	 A.BALASUBRAMANIAN Director
 D.KRISHNAMURTHY Executive Director-cum-Company Secretary	 SUNIL BHANSALI CFO	 As per our report attached of even date for Rudhrakumar Associates Chartered Accountants (Registration No: 007033S)
 Place: Navalur (Kanchipuram District) - 600130. Date: 26th May, 2015.		 R.Rudhrakumar Proprietor Membership No. 019444

NOTE 24

₹ In Lakhs

CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		As at 31st March, 2015	As at 31st March, 2014
(i) CONTINGENT LIABILITIES			
1 Claim against the Company not acknowledged as debts			
Central Excise		982.09	2,158.57
Sales Tax		115.95	476.92
Employee State Insurance matter.		9.35	2.30
Claims on merged erstwhile Gangadharam Appliances Limited not acknowledged as debts comprising of			
Central Excise		24.00	24.00
Employee State Insurance		16.70	12.24
Labour matter		47.08	43.67
2 Guarantee			
Liabilities to banks on counter Guarantees given by the Company.		1,096.00	443.40
Guarantees issued to Commercial Tax Department		30.87	6.00
Guarantees issued to Central Excise Department		3.00	-
3 Other money for which the Company is contingently liable			
In term of the Memorandum of Compromise executed on 1.11.2000 by the Company and M/s. L.G. Varadarajulu & others, Coimbatore in the matter of patents/designs dispute in the manufacture of Table Top Wet Grinders, the Company is liable to pay to the latter such damages as may be determined by the Court, in the event of the suit C.S.No.613 of 1999 pending in the High Court of judicature at Chennai being decreed in their favour.		Amount Not determinable	Amount Not determinable
(ii) COMMITMENTS			
Estimated amount of contracts remaining to be executed on capital account and not provided for		87.22	72.33

NOTE: 25**OTHER NOTES TO FINANCIAL STATEMENTS****1. SIGNIFICANT ACCOUNTING POLICIES:**

(Forming part of the Financial Statements for the year ended on 31st March, 2015)

(i) Basis for Preparation of accounts:

The Financial Statements have been prepared on the historical cost convention in accordance with the Generally Accepted Accounting Principles in India, to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(ii) Fixed Assets and Depreciation:

- a. Fixed Assets are Capitalised at acquisition cost, including directly attributable cost of bringing the assets to their working condition for the intended use, less CENVAT and VAT Credits and as reduced by accumulated depreciation.
- b. Depreciation on tangible fixed assets is charged over the estimated useful life on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013.
- c. The estimated useful life of the tangible fixed assets followed by the Company is given below:

Description	Years
Factory building and other buildings	5 to 60
Plant and machinery	15
Electrical equipments	10
Office equipment	5
Furniture and Fittings	10
Vehicles	8 to 10
Computers and information systems	3 to 6

- d. Dies and Tools are depreciated at the rate of 11.88 percent.
- e. In respect of additions/deductions made during the year, depreciation is charged on pro-rata basis from the date of addition/ till the date of disposal.
- f. Intangible assets in the form of Software are amortised over their useful life of 10 years and in the form of Usage Right of Trade Mark/Trade Mark and Licence are amortised over the period of Usage of 20 – 25 years.

(iii) Inventories:

Inventories are stated at lower of cost (net of CENVAT and VAT credits) or net realisable value. Cost includes all direct costs and other applicable manufacturing overheads and in ascertaining the cost, Moving Weighted Average Method is adopted. In the case of work-in-progress and finished goods, cost represents materials (net of CENVAT and VAT credits) direct labour and appropriate portion of factory overheads. Adequate provision for defective, slow/non moving, obsolete stocks are made on the basis of technical evaluation.

(iv) Revenue recognition:

Revenue in respect of sale of products is recognised at the point of despatch to customers. Sales also includes products which are manufactured through third party on contract basis, which represents invoiced value of goods including excise duty and are net of sales tax, returns and inter-branch transfers. The excise duty is separately disclosed and deducted from sales. Export sales are accounted at the prevailing rate of exchange as on the date of invoicing. The difference in the rate of exchange, if any, is accounted at the time of realization if it is made within the same financial year.

(v) Impairment of Assets:

As on the Balance sheet date, the Company's assets net of accumulated depreciation/amortization is not less than the recoverable amount of those assets. Hence, there is no impairment loss on the assets of the Company. Any such impairment loss is recognized by charging it to the profit and loss statement.

(vi) Research & Development Expenditure:

Revenue Expenditure on Research & Development is charged off to the Profit and Loss Statement in the period in which it is incurred.

(vii) Staff Terminal Benefits:

- a) Accrued Liability for gratuity and superannuation has been provided in the accounts in accordance with the provisions of the Payment of Gratuity Act, 1972, calculated on the basis of Actuarial Valuation in accordance with the guidelines of the Institute of Chartered Accountants of India under Accounting Standard (AS15) for employees who are eligible for gratuity and superannuation funded by Life Insurance Corporation (LIC). For a few employees who are in service even after Superannuation age as per LIC norms, gratuity and superannuation is calculated manually and necessary provision is made in the books of account.

The Company contributes to the said superannuation fund covering specified employees. The contributions are by way of annual premium payable on such superannuation policy issued by the LIC of India, which confers benefits to those specified employees based on policy norms.

- b) Contribution to Provident fund are accounted at the applicable rates and paid over to the Government authorities.

- c) Accrued liability for encashment of leave to employees is accounted on calendar year basis, in accordance with the Company's Rules and paid to the employees after the end of calendar year.

DEFINED CONTRIBUTION PLAN

	₹ In Lakhs 2014-15	₹ In Lakhs 2013-14
Employer's Contribution to Provident fund & Employees State Insurance Corporation	343.29	280.52
Employer's Contribution to Gratuity and Superannuation funds	74.23	206.92

2. EXCISE DUTY:

CENVAT credit/Service Tax credit on inputs and other capital goods are accounted fully and to the extent the sum availed is adjusted towards payment of excise duty on despatches leaving the unutilised balance being carried forward to subsequent year and kept under Loans and Advances.

3. DISCLOSURES REQUIRED UNDER THE "MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006"

	₹ In Lakhs	
Particulars	2014-15	2013-14
a. Principal amount due to Suppliers under the Act	191.99	733.68
b. Interest accrued and due to Suppliers under the Act, on the above amount	-	-
c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	-	-
d. Interest paid to Suppliers under the Act (Other than Section 16)	-	-
e. Interest paid to Suppliers under the Act (Section 16)	-	-
f. Interest due and payable to suppliers under the Act, for payments already made		
g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	-	-

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

4. TAXES ON INCOME:

Current tax is determined as the amount of Tax payable in respect of Taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and unabsorbed losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

5. FOREIGN CURRENCY TRANSACTIONS:

Transactions in foreign currency are recorded at exchange rate prevailing at the time of the transactions and exchange difference arising from foreign currency transaction are dealt within the Profit and Loss Statement and capitalized where they relate to the Fixed Assets. Current Assets and Liabilities at the year end are being converted at closing rates and exchange gains / losses are dealt within the Profit and Loss Statement, as per AS 11.

6. IMPORTS (CIF VALUE)

	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakhs
Raw materials	2,406.65	4,144.35
Components and Spares	3,351.34	4,109.54
Capital goods	5.37	56.55
Finished Goods	4,419.93	3,266.55

7. EXPENDITURE IN FOREIGN CURRENCY

Travelling	65.26	33.71
Salary and allowance	83.52	61.35

8. EARNING IN FOREIGN EXCHANGE

Exports (on FOB basis)	663.81	742.91
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9. DISCLOSURE ON RELATED PARTY TRANSACTION

- Key Management 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. D. Krishnamurthy – Executive Director-cum-Company Secretary
 - Mr. Sunil Bhansali - CFO
- Enterprises in which key management personnel and their Relatives have Significant influence
 - LLM Appliances Limited
 - V.M. Chettiar & Sons India Private Limited
 - Butterfly Quality Centre Private Limited
 - Swaminathan Enterprises Private Limited
 - Sivagurunathan Industries
 - East West Combined Industries
 - Vetrivel Transport
 - Mrinalini Industries
 - Avinash Industries
 - Chrysalis Home Needs Private Limited

3. Relatives of Key Management Personnel

Mr. V.M.L. Karthikeyan
Mr. V.M.S. Namasivayam
Mr. V.M.G. Viswanathan
Mr. V.M.L. Senthilnathan
Mr. V.M.S. Kumaraguru
Mr. V.M.L. Ganesan
Mr. V.M.B. Shanmuganathan
Mr. V.M.S. Selvamuthukumar
Mr. V.M.G. Mayuresan
Mr. V.M.K. Sivashanmugam
Mrs. A. Gandhimathi
Mr. R. Elansudar
Mr. P. Keerthirajan

₹ In Lakhs

S.No.	Particulars	2014-15	2013-14
	Transaction for the year ended on 31st March, 2015		
	Key Management Personnel		
1	Executive Directors' remuneration, Perquisites and Commission.	267.54	365.66
2	Dividend paid during the year	-	80.84
	Enterprises in which Key Management Personnel and their relatives have significant influence		
1	Purchases of goods	2,766.28	9,587.82
2	Sales of goods	91.82	1,585.24
3	Purchase of Assets – Fixed and Current Assets	-	9,264.58
4	Balance due to us – Sundry Debtors	15.27	14.19
5	Balance due from us – Sundry Creditors	322.55	399.46
6	Balance – Loans and Advances	-	-
7	Dividend paid during the year	-	163.84
	Relatives of key Management Personnel		
1	Employee Remuneration, Perquisites	254.78	168.02
2	Others – Director Sitting Fees	0.30	0.50

10. Segment Information in accordance with AS17 issued by ICAI.

The Company operates in only one segment viz. Domestic Appliances.

11. Earnings per Share in accordance with AS20 issued by ICAI:

	2014-15	2013-14
Net Profit as per Profit and Loss Statement	₹ 283.29	₹ 2,241.42
No. of Equity Shares	1,78,79,551	1,78,79,551
Nominal Value per Share	₹ 10.00	₹ 10.00
Basic and Diluted earnings per share	₹ 1.58	₹ 12.54

12. During the year ended on 31st March 2015 in accordance with Part A of Schedule II to the Companies Act 2013, those tangible fixed assets that had completed useful life as on 01.04.2014, the carrying amount of Rs. 86.63 lakhs has been adjusted against the General Reserve.

13. The Company is not liable for Corporate Social Responsibility (CSR) expenses as required under section 135 of Companies Act, 2015.

14. Previous year's figures have been regrouped and reclassified wherever necessary to conform to this year's classification.

V.M.LAKSHMINARAYANAN
Chairman & Managing Director

V.M.SESHADRI
Managing Director

A.BALASUBRAMANIAN
Director

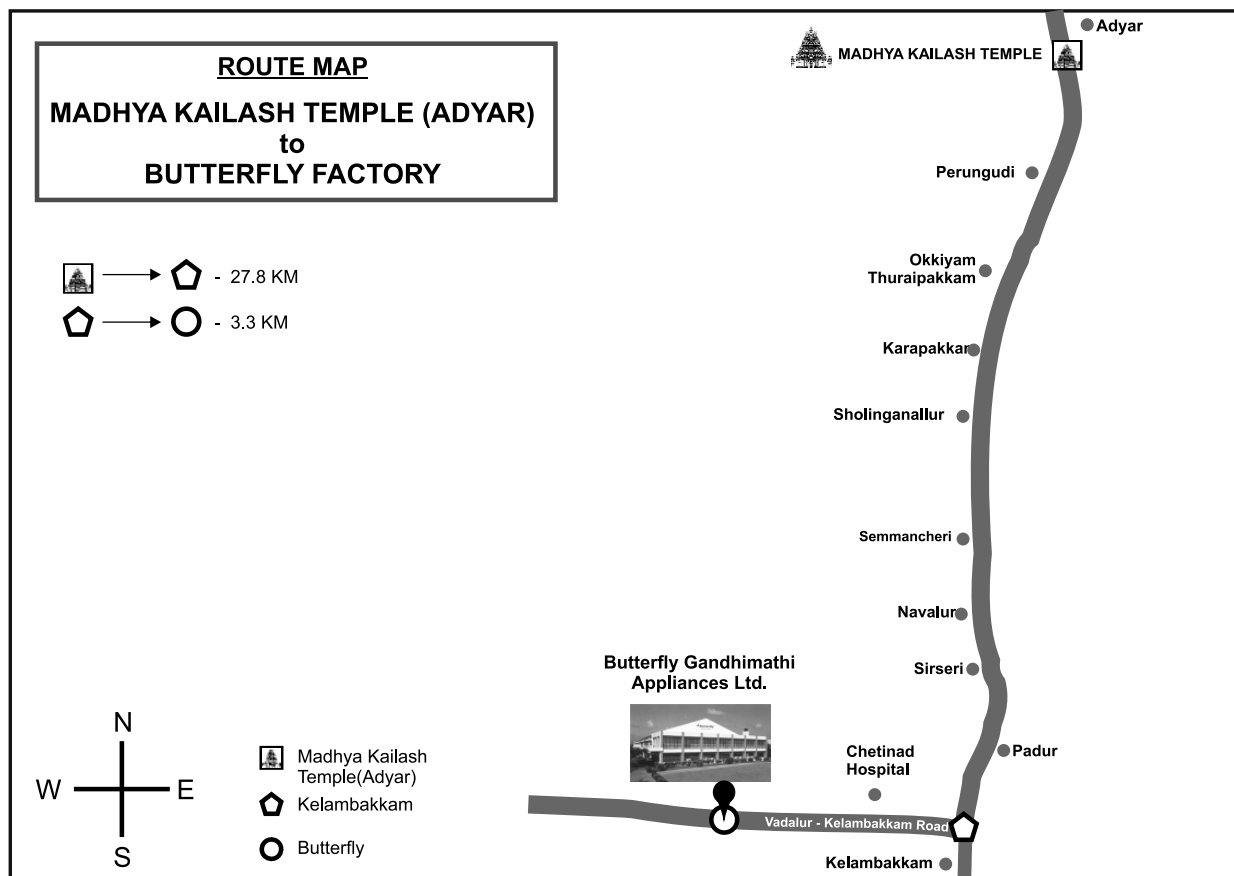
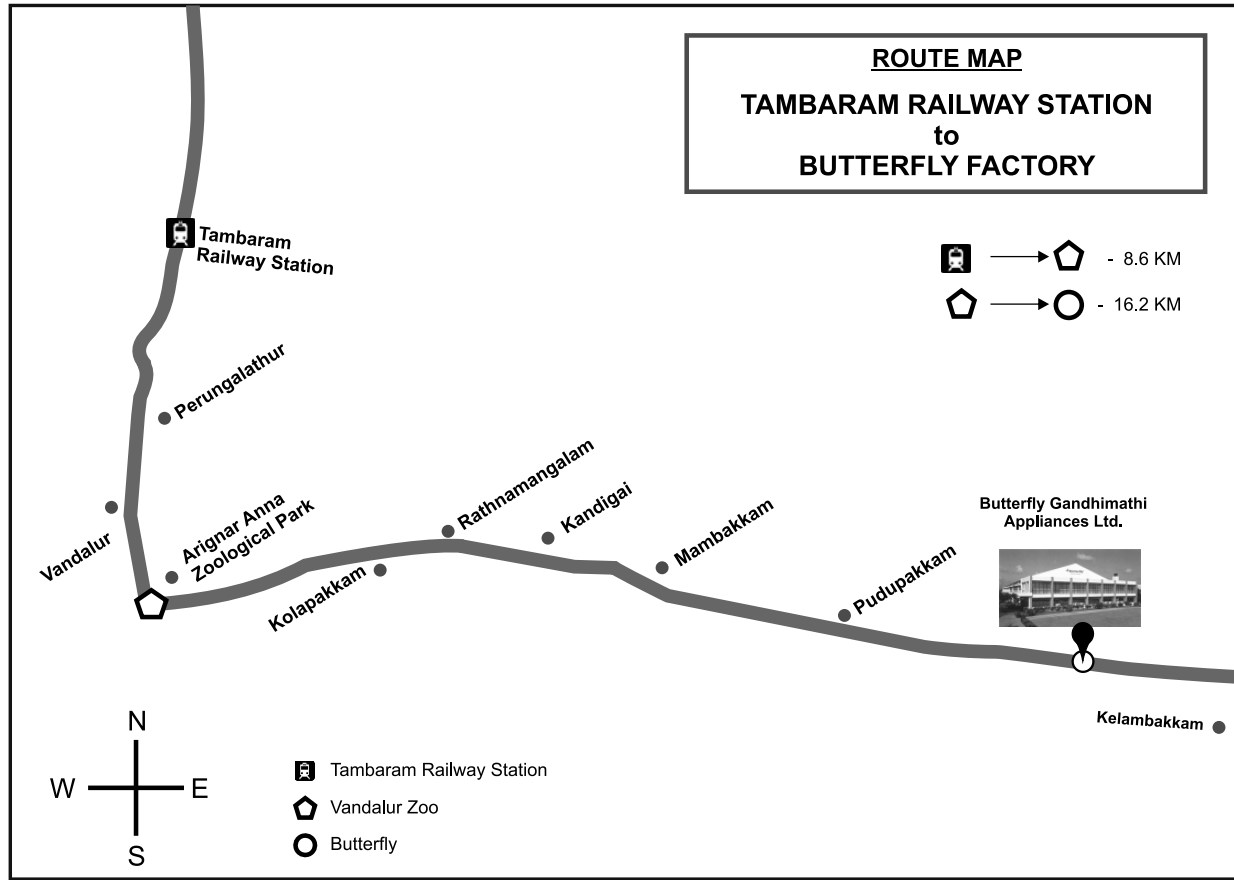
D.KRISHNAMURTHY
Executive Director-cum-Company Secretary

SUNIL BHANSALI
CFO

As per our report attached of even date
For Rudhrakumar Associates
Chartered Accountants
Registration No.007033S

Place: Navalur (Kanchipuram District) – 600130.
Date: 26th May, 2015.

R.RUDHRAKUMAR
Proprietor
Membership No. 019444



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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT 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 Twenty Eighth Annual General Meeting of the Company to be held on Thursday, 20th August 2015 at 11.00 A.M at its Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District, Tamil Nadu.

*Application for investors holding shares in electronic form.

Signature of the shareholder/proxy



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:	
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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	
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 28th Annual General Meeting of the Company, to be held on Thursday 20th August 2015 at 11.00 a.m. at its Registered Office at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam – 603 103, Kancheepuram District 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:

----- ✂ -----

Sl.No.	Resolutions	Type of Resolution	For Y/N	Against Y/N
A.	ORDINARY BUSINESS:			
1	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors	Ordinary		
2	Reappointment of Mr.V.M.Seshadri, Director who retires by rotation	Ordinary		
3	Reappointment of Mr.V.M.Gangadharam, Director who retires by rotation	Ordinary		
4	Appointment of M/s.Rudhrakumar Associates as Statutory Auditors	Ordinary		
B.	SPECIAL BUSINESS:			
5	Appointment of Mrs.Maheshwari Mohan as Woman Independent Director	Ordinary		
6	Reappointment of Mr.V.M.Kumaresan, Executive Director-Technical	Special		
7	Approval of remuneration of the Cost Auditor	Ordinary		
8	Amendment to Articles of Association of the Company	Special		
9	Approval of Borrowing Powers to the Board of Directors	Special		

Signed this Day of August 2015

.....
Signature of Proxyholder(s)

Signature of Shareholder

Affix Re.1/-
Revenue
Stamp

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.

ELECTRIC CHIMNEY



LPG STOVE



HAND BLENDER



MIXER GRINDER



JUICER



TABLE TOP WET GRINDER



PRESSURE COOKER



POWER HOB



WATER HEATER



ELECTRIC KETTLE



POP-UP TOASTER



ELECTRIC RICE COOKER



WASHER



SANDWICH MAKER



CEILING FAN



A Moment of Pride for Butterfly

(1) →



(2) →



Distinguished Scientist, Padma Bhushan Dr.A.Sivathanu Pillai, Chief Controller (Research & Development), DRDO & Chief Executive Officer and Managing Director, Brahmos Aerospace, Ministry of Defence, New Delhi — [(1) fourth from the left; (2) first from the right], with our Chairman & Managing Director and Executive Director-Technical, during his visit to our Factory on 13.10.2014.

To.



If undelivered return to :

GNSA Infotech Ltd,
STA Dept., Nelson Chambers, 4th Floor, F-Block,
No.115, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.
Tel : 044-42962025
E-mail : sta@gnsaindia.com