



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

March 8, 2016

Listing Compliance Department,
National Stock Exchange Limited,
'Exchange Plaza', Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051
Scrip Code: BUTTERFLY

Dear Sir,

**Compliance under Regulations 8 & 9 of the SEBI (Prohibition of
Insider Trading) Regulations, 2015 read with circular No.
CIR/ISD/01/2015 dated 11.5.2015, as amended by SEBI Circular
CIR/ISD/02/2015 dated 16.9.2015**

Kindly refer to our letter dated 22.1.2016, confirming to NSE compliance with regulation 8(1) and 9(1) of SEBI (Prohibition of Insider Trading) Regulations 2015.

Pursuant to the amendment made vide SEBI Circular dated 16.9.2015, cited above, we have incorporated suitable modifications in the Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information uploaded on our website earlier, as per copy enclosed.

We request you to kindly take the above information/ document on record.

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING [PURSUANT TO PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

Preamble:

The Securities and Exchange Board of India (SEBI) vide its Notification No.LAD - NRO/GN/2014-15/21/85 dated 15th January 2015 have notified a set of new Regulations viz., Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Pursuant to Clause 9 of the said Regulations, the Board of Directors of every listed company is required to formulate a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with the said regulations. Accordingly, the Board of Directors of Butterfly Gandhimathi Appliances Limited have adopted a new Code of Conduct for trading by insiders replacing the existing Code.

(I) Title:

- (1) This Code is called **Butterfly Gandhimathi Appliances Limited(Insider Trading) Code, 2015.**
- (2) This Code is applicable to 'Designated Persons' and their Immediate Relatives.
- (3) This Code shall come into force on and from 1st March 2016.

(II) Definitions:

In this Code, unless the context otherwise provide:

- (1) "**Act**" means the Securities and Exchange Board of India Act, 1992;
- (2) "**Board**" means the Board of Directors of Butterfly Gandhimathi Appliances Limited;
- (3) "**Code**" means the Butterfly Gandhimathi Appliances Limited (Insider Trading) Code, 2015;
- (4) "**Compliance Officer**" means any Senior Officer designated and appointed by the Board of Directors. The Compliance Officer as on the commencement of this Code is the Company Secretary;
- (5) "**Connected person**" mean-
 - (i) any person who is or has during the six months prior to the concerned act been associated with the company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contract



fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established-

- (a) an immediate relative of connected persons specified in Clause (i); or
 - (b) a holding Company or associate Company or subsidiary Company; or
 - (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - (i) a banker/bankers of the Company; or
 - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker/bankers of the Company, has more than ten per cent of the holding or interest;
- (6) **“Generally available information”** means the information which is available on Company’s website and disclosures made to Stock Exchanges and official press releases made by the Company;
- (7) **“Immediate Relative”** means a spouse of a person, and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;



(8) **"Designated Persons"** mean-

(a) All Directors of the Company.

(b) President / Senior Vice Presidents / Vice Presidents and General Managers who are functional heads of the Company.

(c) Key executives in the Finance and Secretarial Department located at Accounts / Corporate office of the Company.

(d) Statutory Auditors / internal auditors / cost auditors of the Company.

(e) Any other employees and their dependents, as may be identified by the Committee who are privy to any price sensitive information.

(9) **"Insider"** means any person who is or was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the Company, or who has received or has had access to unpublished price sensitive information.

(10) **"Officer of the Company"** means any person as defined in of Section 2(59) of the Companies Act, 2013 and includes the auditor of the Company.

(11) **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

(12) **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

(13) **"Trading"** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;

(14) **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;

(15) **"Unpublished price sensitive information"** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

(i) financial results;

(ii) dividends;

(iii) change in capital structure;



- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the listing agreement.

(16) **“Unpublished Information”** means any information, which is not officially published by the Company or its agent and is not specific in nature. However speculative reports in print or electronic media by an analyst or reporter or by means of rumour shall not be considered as published information.

(III) Code of Conduct on matters relating to insider trading:

- (a) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (b) No insider shall counsel any other person to deal in shares of the Company on the basis of unpublished price sensitive information.

(IV) Procedure for ‘Designated Persons’ to invest in Company’s securities:

No Designated Persons, his dependent relatives shall invest in the Company’s shares beyond the threshold limit of 1000 equity shares (prescribed at present) unless;

- (1) He / she takes prior approval of the Committee giving his name, estimated number of shares he / she intends to purchase or sell and details of Depository Participant. For this purpose, the Managing Director, Company Secretary and the CFO shall constitute as the Committee authorised by the Board of Directors.
- (2) He / she files an undertaking stating that: (i) He / she does not have access to or has not received price sensitive information up to the time of signing the undertaking.
 - (ii) In the event of receiving any price sensitive information after signing the undertaking but before execution of the transaction, he / she will inform the Compliance Officer of the change and will refrain from dealing in the shares of the Company till such information is made public.
 - (iii) He / she has not contravened the Code.
 - (iv) He / she has made a full and true disclosure in the matter.
 - (v) The prior approval should be sought in the format as given in Annexure-1 along with the above undertaking in **Annexure-1A**.
 - (vi) The approval of the Compliance Officer should be in **Annexure-2**.



(3) The Designated Persons must execute the order for purchase / sale of shares within one week of getting approval from the Compliance Officer otherwise fresh approval will be required. The Designated Persons shall disclose the executed transaction in the format as given in **Annexure-3**.

(4) All Directors / Designated Persons who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e., sell or buy any number of shares during the next 6 months following the prior transaction. All Directors / Officers / Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time.

(5) In case of sale necessitated by personal emergency, holding period of 6 months can be waived by the Compliance Officer, for reasons to be recorded in writing. In case of subscription in the primary market (IPO) the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

(6) The Designated Persons shall submit the required Forms for seeking approval and disclosures of the securities.

(V) Disclosures:

All Directors and Designated Persons shall disclose their individual holdings of the securities of the Company (along with holdings, if any, of their relatives) on or before 28th February, 2016. Such disclosures shall be as per Form A attached herewith.

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of such appointment on becoming a promoter to the Company within seven days of such appointment or becoming a promoter. Such disclosures shall be as per Form B attached herewith.

Every promoter, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified. Such disclosures shall be as per Form C attached herewith.



(VI) Trading Window:

The Designated Persons can trade in shares after taking the approval at all times except:

- (a) Seven days before the Board Meetings in which the un-audited quarterly results / audited results are considered and 48 hours thereafter.
- (b) Seven days before any matters relating to any price sensitive information is considered and 48 hours thereafter.
- (c) Any other period as notified by the Board of Directors from time to time.

(VII) Powers of Board to investigate offences:

In relation to any offences by Designated Persons, the Board or committee constituted shall:

- (a) Serve a notice on the Designated Persons provided that, if the Committee is of the opinion that it is necessary in the interest of the Company, it can initiate such proceedings without serving any notice.
- (b) Investigate such records and documents in his / her possession or in the possession of the Company.
- (c) Record reasons of the Designated Persons in writing.

(VIII) Penalty for contravention:

The Company shall have the power to impose the following penalty on the Designated Persons:

- (a) Withhold any dividend declared by the Board of the Company.
- (b) Employees / Officers / Directors of the Company who violate the code of conduct shall also be subject to disciplinary action by the Company which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- (c) The Company shall also take such steps within its power to recover any profits made in respect of such dealings from the Designated Persons(s).
- (d) The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- (e) In case it is observed by the Company / Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be informed by the Company.



(IX) Power of the Board to effect modifications to these rules:

The Board shall have the powers to make such changes / modifications in these Rules as may be required from time to time to make these Rules more effective and in line with such notifications / changes / amendments made by SEBI.

(X) Caution:

All Designated Persons are hereby requested in their own interest not to purchase any shares in the Company beyond the threshold limit as mentioned in Rule IV para1 without the prior clearance of the Compliance Officer. In case of any difficulty in understanding these Rules, all Designated Persons should first contact the Company Secretary / Compliance Officer.



ANNEXURE-1

FORMAT FOR APPLICATION FOR PRE-CLEARANCE APPROVAL

Date: _____

To

The Compliance Officer
Butterfly Gandhimathi Appliances Limited
E 34, II Floor,
Rajiv Gandhi Salai,
Egattur Village,
Navalur 600 130.

Dear Sir / Madam,

Re : Application for Pre-clearance approval in securities of the Company

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of conduct for Prevention of Insider Trading, I seek approval to purchase / Sale / Subscription of _____ Equity shares of the Company as per details given below:

1.	Name of the Applicant	
2.	Designation	
3.	Number of securities held as on date	
4.	Folio No. / DP ID / Client ID No.)	
5.	The proposal is for (a) Purchase of securities (b) Subscription to securities (c) Sale of securities	
5.	Proposed date of dealing in securities	
7.	Estimated number of securities proposed to be acquired/subscribed/sold	
8.	Price at which the transaction is proposed	
9.	Current market price (as on date of application)	
10.	Whether the proposed transaction will be through stock exchange or off-market deal	
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I am enclosing the form of Undertaking duly signed by me.

Yours faithfully,



ANNEXURE-1A

FORMAT FOR UNDERTAKING

[TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE]

To
The Compliance Officer
Butterfly Gandhimathi Appliances Limited
E 34, II Floor,
Rajiv Gandhi Salai,
Egattur Village,
Navalur 600 130.

Dear Sir,

I, _____, _____ of the
Company residing at _____, am
desirous of dealing in _____ * shares of the Company as mentioned in my
application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished
Price Sensitive Information (as defined in the Company's Code of Conduct for
prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be
construed as "Price Sensitive Information" as defined in the Code, after the signing
of this undertaking but before executing the transaction for which approval is sought,
I shall inform the Compliance Officer of the same and shall completely refrain from
dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the
Company from time to time.

I undertake to submit the necessary report within four days of execution of the
transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval
failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date : _____

Signature : _____

* Indicate number of shares



ANNEXURE-2

FORMAT FOR PRE- CLEARANCE ORDER

To

Name: _____

Designation: _____

Address/Place: _____

This is to inform you that your request for dealing in _____ (Nos.) shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed on or before _____ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

For Butterfly Gandhimathi Appliances Limited

COMPLIANCE OFFICER

Date : _____

Encl: Format for submission of details of transaction.



ANNEXURE-3

FORMAT FOR DISCLOSURE OF TRANSACTIONS

(To be submitted within 2 days of transaction / dealing in securities of the Company)

To
The Compliance Officer
Butterfly Gandhimathi Appliances Limited
E 34, II Floor,
Rajiv Gandhi Salai,
Egattur Village,
Navalur 600 130.

Dear Sir,

I hereby inform that-

I have not bought / sold/ subscribed any securities of the Company

• I have bought/sold/subscribed to _____ securities as mentioned below on _____ (date).

Name of the holder	No. of securities dealt with	Bought / sold / subscribed	DP ID/Client ID / Folio No	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance Officer / SEBI any of the following documents:

- (1) Broker's contract note.
- (2) Proof of payment to/from brokers.
- (3) Extract of bank passbook/statement (to be submitted in case of demat transactions).
- (4) Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (*applicable in case of purchase / subscription*).

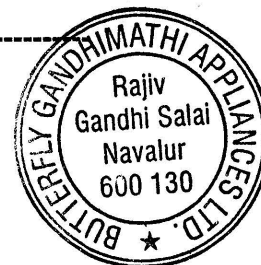
I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Date : _____

Signature : _____

Name : _____

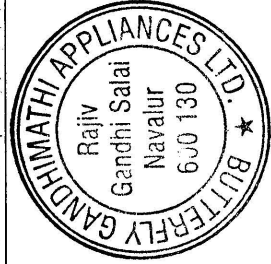
Designation: -----



**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7(1)(a) read with Regulation 6(2)]**

ISIN of the Company

Name, PAN, CIN / DIN & Address with Contact Nos.	Category of Person (Promoters / KMP / Directors / immediate relatives / others, etc.)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of Security (For eg. – Shares, Warrants, Convertible Debentures, etc.)	Number		Number of Units (Contracts * lot size)	Notional value in Rupee terms	Number of Units (Contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	8	9
Note: "Securities" shall have the meaning as defined under Regulation 2(1)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015.								
Signature:								
Designation:								
Date:								
Place:								



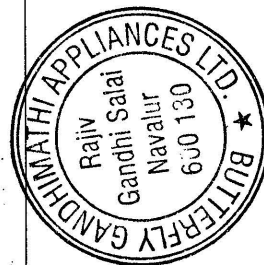
**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7(1)(b) read with Regulation 6(2)]**

Name of the Company: _____

SIN of the Company

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a Listed Company and other such persons as mentioned in Regulation 6(2):

Name, PAN, CIN / DIN & Address with Contact Nos.	Category of Person (Promoters / KMP / Directors / Immediate relatives / others, etc.)	Date of appointment of Director / KMP or Date of becoming Promoter	Securities held as at the time of becoming Promoter / appointment of Director / KMP		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
			Type of Security (For eg. – Shares, Warrants, Convertible Debentures, etc.)	Number		Number of Units (Contracts* lot size)	Notional value in Rupee terms	Number of Units (Contracts* lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	8	9	10
Note: "Securities" shall have the meaning as defined under Regulation 2(1)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015.									
Signature:									
Designation:									
Date:									
Place:									



FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7(2) read with Regulation 6(2)]

Name of the Company: _____

ISIN of the Company: _____

Details of change in holding of Securities of Promoter, Employee or Director of a Listed Company and other such persons as mentioned in Regulation 6(2):

Name, PAN, CIN / DIN & Address of Promoter / Employee / Director with Contact Nos.	Category of Person (Promoters / KMP / Directors / Immediate relatives / others, etc.)	Securities held prior to acquisition / disposal		Securities acquired / disposed	% of Shareholding		Date of allotment / acquisition of shares / sale of shares specify		Date of intimation to Company	Mode of acquisition (market purchase / public rights / preferential offer / off market / Inter-se transfer, etc.)	Trading in derivatives (Specify type of Contract, Futures or Options, etc.)				Exchange on which the trade was executed	
		Type of Security (For eg. - Shares, Warrants, Convertible Debentures, etc.)	Number		Pre transaction	Post transaction	From	To			Buy		Sell			
											Value	Number of units (contracts* lot size)	Value	Number of units (contracts* lot size)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

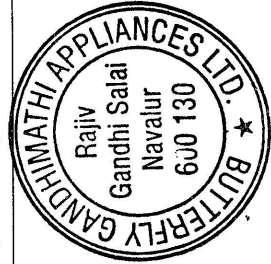
Note: "Securities" shall have the meaning as defined under Regulation 2(1)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Signature: _____

Designation: _____

Date: _____

Place: _____



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (CODE)

1. Objective:

1.1 The Company has a policy of providing timely and credible material information to the investing public, media, etc. consistent with the legal and regulatory requirements.

1.2 This Code is formulated pursuant to Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 laying down the process of fair disclosure in connection with the Unpublished Price Sensitive Information (**UPSI**).

1.3 The Company Secretary is designated as Chief Investor Relations Officer (CIRO) to deal with dissemination and disclosure of unpublished price sensitive information (**UPSI**).

1.4 This Code is effective from 1st March, 2016.

2. The Code:

Butterfly Gandhimathi Appliances Limited has adopted the following principles in connection with this Code:

2.1 Adopt such process, such that any UPSI is handled only on a need-to-know basis.

2.2 Promptly disclose UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

2.3 Ensure UPSI is not selectively disclosed and the same is disseminated uniformly and universally.

2.4 Exercise adequate care that UPSI is not shared with Analysts and other research personnel.

2.5 Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

2.6 Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.



2.7 Develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website www.butterflyindia.com to ensure official confirmation and documentation of disclosures made.

3. Procedure:

3.1 The Company has nominated a set of senior executives called Authorised Spokespersons who will be authorised to speak about the company to Analysts, Security dealers and fund managers. "Authorised Spokespersons" currently consist of Executive Chairman, Managing Director (s) and Company Secretary respectively. Mr. V M lakshminaryanan and Mr. V M Seshadri or Mr D.Krishnamuthry (CIRO).

3.2 All presentations and communications to the investing community and Press Releases relating to financial matters and other material developments shall be referred to CIRO for vetting before dissemination.

3.3 Any unintended communication of UPSI by any Employee of the Company shall be immediately brought to the notice of CIRO who will ensure that the same is disseminated to the Stock Exchange expeditiously.

3.4 Any visit to the Head Office or factories of the Company by any representatives of the investor community shall be arranged only with the prior consent of CIRO/Authorised Spokesperson and shall be accompanied by a person authorised by anyone of the Authorised Spokespersons.

3.5 Enquiries received from Analysts, security holders etc. by any other department other than the investor relations must be forwarded to CIRO. Under no circumstances, any employee shall attempt to handle the enquiries without the prior authorisation from CIRO or Authorised Spokespersons.

3.6 Employees of the Company are required to generally assume that any information relating to the following "Explanation Clause" is material and non-published and if they have any doubt they should consult the CIRO for clarification.

Explanation Clause: UPSI generally means financial results, financial condition, budget and forecasts, any announcement on future earnings or loss, funding/capital issue proposals, proposed dividend, discussions regarding acquisitions, joint ventures, divestments, change in business, new products etc. and litigations.

