

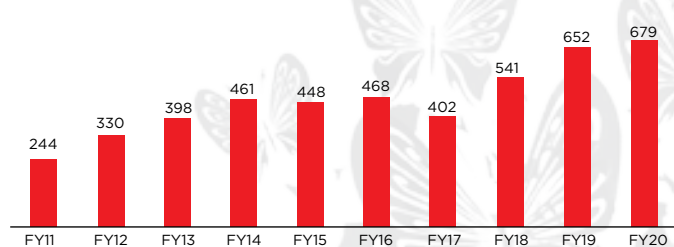


Good for a lifetime



ASCEND OF ACHIEVEMENTS

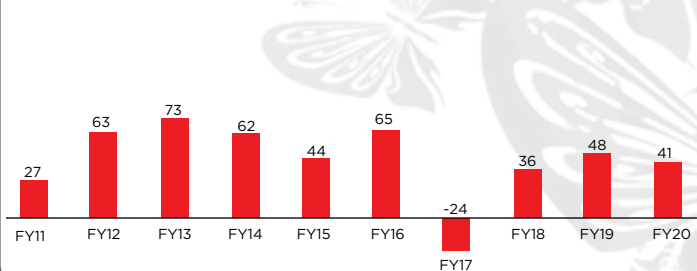
Total Revenue (Rs. Crore)



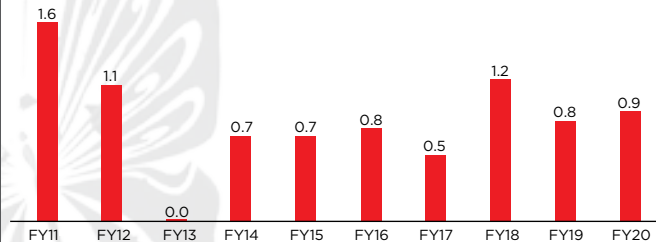
Profit After Tax (Rs. Crore)



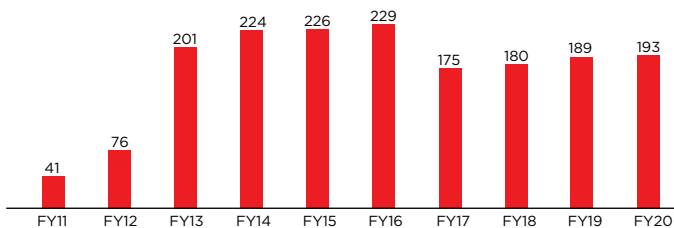
EBITDA (Rs. Crore)



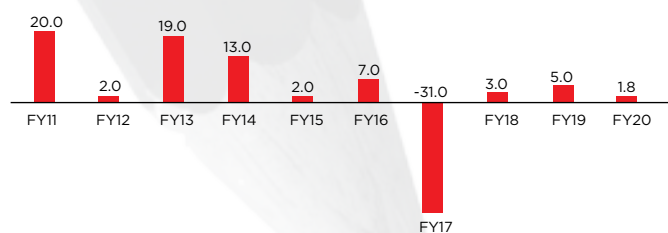
Net Debt - Equity Ratio



Net Worth (Rs. Crore)



Earning Per Share



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

ANNUAL REPORT 2020

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BOARD OF DIRECTORS

Mr. V.M.Lakshminarayanan.....	Chairman & Managing Director
Mr. V.M.Balasubramaniam	Vice Chairman & Managing Director
Mr. V.M.Seshadri	Managing Director
Mr. V.M.Gangadharam.....	Executive Director
Mr. V.M.Kumaresan.....	Executive Director - Technical
Mr. K.Ganesan.....	Independent Director
Mr. M.Padmanabhan.....	Independent Director
Mr. A.Balasubramanian	Independent Director
Mr. G.S.Samuel	Independent Director
Mr. T.R.Srinivasan.....	Independent Director
Mrs. Maheshwari Mohan	Woman Independent Director
Mr. Anand Mundra	Nominee Director -Equity Investor*

*vacated office due to withdrawal of nomination w.e.f 30.9.2019.

Mr. K.S.Ramakrishnan	Company Secretary & General Manager - Legal
Mr. R.Nagarajan	Chief Financial Officer

STATUTORY AUDITORS

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

COST AUDITORS

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

REGISTERED OFFICE

143, Pudupakkam Village,
Vandalur-Kelambakkam Road,
Kelambakkam - 603103.
Chengalpet District, Tamil Nadu
CIN: L28931TN1986PLC012728
Phone: 044-47415590/92-93
Email: butterflyho@butterflyindia.com

REGISTRAR & SHARE TRANSFER AGENT

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

CORPORATE OFFICE

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

BANKERS

State Bank of India
IDBI Bank,
IndusInd Bank
The South Indian Bank Ltd.

A customer is the most important visitor on our premises. He is not an interruption on our work. He is the purpose of it. He is not an outsider in our business. We are not doing him a favour by servicing him. He is doing us a favour by giving us an opportunity to do so - Mahatma Gandhi.
"WE AT BUTTERFLY SHALL CONTINUE TO CEASELESSLY WORK TOWARDS THIS OBJECTIVE".

Chairman's Message

Mr. V.M.Lakshminarayanan
Chairman & Managing Director



It gives me pleasure to present our Company's Annual Report of 2019-20.

The COVID-19 outbreak from China was declared as a pandemic by World Health Organisation in the last quarter of the financial year 2019-2020, causing a social and economic turbulence.

The macro-economic factors that caused a slowdown in the financial year 2019-2020 will also continue in the financial year 2020-2021. The last quarter of the financial year 2019-20 and first quarter of the financial year 2020-21 was completely dominated by the pandemic and the consequent lockdowns. The country is suffering from COVID-19 which has severely impacted every aspect of our lives and businesses in unprecedented ways. The challenges are unique as COVID-19 induced lockdowns have interrupted the economic activity. So much so, that the GDP growth of the Indian economy is to be around 4.2% for the financial year 2020, and likely to be negative in the financial year 2021. The recent economic stimulus announced by the government of India does have some short term measures to cushion the economy.

Financial year 2019-2020 is under review. In spite of extreme economic challenges of the world and a situation aggravated almost beyond measure by the unprecedented COVID-19 pandemic, our Company's overall performance has improved. With continuous focus, strategy and effective implementation of a turnaround plan, our Company's growth has been on the right track especially in modern trade, e-commerce, innovative products and product mix. The net income

of the Company during the year ended 31st March, 2020 was ₹678.70 crores as against ₹651.98 crores for the year ended 31st March, 2019. The Company made a net profit after tax of ₹3.98 Crores against the net profit of ₹9.57 crores for the previous year ended 31st March, 2019.

The Company has put in plans to improve liquidity, cash flow management, working capital arrangements including collections and receivables from customers. It also has a huge potential in Digital marketing of retail channels and has achieved significant growth in the year 2019-2020. The Company will also focus on minimum alternative plan and strive to strengthen our internal capabilities with safety, producing profitable volumes and pursuing sustainable cost improvements. We will continue to invest in R&D and drive innovations to build value-added products. Hopefully, the Company will atleast meet all the operational challenges especially the ones impacted by COVID-19. New ways will be implemented for new operational models in all areas.

We look ahead towards opportunities and prosperity, I would like to express my sincere appreciation to employees at all levels for their contribution towards the performance of the Company. I would also like to extend my gratitude to our customers, stakeholders, bankers and suppliers for their loyalty and trust in us. I would further like to express sincere appreciation to all shareholders for their continued support.

Yours sincerely,
V.M.Lakshminarayanan
Chairman

Butterfly Gandhimathi Appliances Limited

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Members of the Company will be held on Thursday, 20th August, 2020 at 11.00 a.m., (IST) through Video Conferencing / Other Audio Visual Means, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2020 together with the Reports of the Board of Directors and Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March 2020, the Report of the Board of Directors and the Auditors thereon, laid before the meeting be and is hereby approved and adopted."

2. To appoint Mr.V.M.Seshadri (DIN 00106506), who retires by rotation and, being eligible offers himself for reappointment as a Director of the Company and in this regard pass 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."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act 2013 and the Rules made thereunder, approval is hereby accorded for the remuneration of Rs.1,75,000/- plus taxes as applicable and reimbursement of travel and out of pocket expenses, to be paid to M/s.S. Mahadevan & Co., Cost Accountants (Regn.No.000007), Chennai approved by the Board as Cost Auditors for conducting the audit of cost records of the Company, for the financial year ending 31st March 2021, be and is hereby ratified."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act 2013 (**"the Act"**) and the Companies (Appointment and Qualification of Directors) Rules 2014 and the applicable provisions of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Maheshwari Mohan (DIN:07156606), who holds office as a Woman Independent Director up to 20.08.2020 and being eligible, be and is hereby reappointed as a Woman Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (five) consecutive years i.e, from 21.08.2020 to 20.08.2025."

Chennai 600 020

Date : 12.06.2020

By Order of the Board

K.S.Ramakrishnan

Company Secretary &
General Manager - Legal

IMPORTANT NOTES:

1. The Explanatory statement pursuant to Section 102 (1) of the Companies Act 2013, (**"the Act"**) which set out details relating to Special Business at the Annual General Meeting (AGM) is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from **13th August 2020 to 20th August 2020 (both days inclusive)** for annual closing.
3. In view of the continuing COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through Video Conference (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at the common venue. In compliance with the provisions of the Companies Act, 2013 ('Act') SEBI (LODR) Regulations 2015 ("SEBI Listing Regulations") and MCA Circulars the AGM of the Company is being held through VC / OAVM. National Securities Depositories Limited (NSDL) will be providing facility for voting through remote e-voting for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained hereunder.
4. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting issued by Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
5. **Pursuant to the provision of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf**

NOTICE TO THE SHAREHOLDERS

and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of the members has been dispensed with. Accordingly the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission of transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Share Transfer Agent M/s GNSA Infotech Private Limited (GNSA) for assistance in this regard. Members may also refer to Frequently Asked Questions (FAQs) on Company's website www.butterflyindia.com.
7. To support the 'green Initiative', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not registered their nomination are requested to register the same by submitting Form SH.13. The said form can be downloaded from the Company's website www.butterflyindia.com/Investor Relation. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to GNSA in case the shares are held in physical form.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or GNSA, the details of such folios together with the shares certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of members of the Company will be entitled to vote at the AGM.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM, i.e August 20, 2020. Members seeking to inspect such documents can send an email to cs@butterflyindia.com.
12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividend has been transferred to IEPF may claim the same by making an online application to IEPF Authority in web Form no. IEPF – 5 available on www.iepf.gov.in.
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. In compliances with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Company's website www.butterflyindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsdl.com.
15. Instructions for e-voting and joining the AGM are as follows.

Procedure for remote e-voting and e-voting during the AGM

 - i. In compliance with the provisions of Section 108 of the Act, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulations 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their

NOTICE TO THE SHAREHOLDERS

vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

- ii. The remote e-voting period commences on **Sunday, 16th August 2020 9.00 a.m. (IST) and ends on Wednesday, 19th August 2020 5.00 p.m. (IST). During this period, members holding shares either in physical form or in dematerialized form, as on Wednesday 12th August 2020 i.e. cut off date**, may cast their vote electronically.

The e-voting module shall be disabled by NSDL for voting thereafter. Those members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- iii. Mr. Balu Sridhar failing which Mr. A. Pankaj Mehta, Partners of M/s. A K Jain & Associates, Practicing Company Secretaries have been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date.

- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the notice and holding shares as of the cut-off date, may obtain the login ID and pass word by sending a request at e-voting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

- vii. The details of the process and manner for remote e-voting are explained herein below:

- A. Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>
- B. Cast your vote electronically on NSDL e-voting system.

A. Step 1: Log-in to the NSDL e-voting system

- a. Visit the e-voting website of NSDL. Open web browser by typing the following URL : <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- b. Once the homepage of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

- c. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- d. Your User ID details are given below :

Manner of holding shares i.e. demat (NSDL or CDSL) or physical	Your User ID is
a) For Members who hold shares in demat account with NSDL	8-Character DP ID followed by 8-Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12*****, then your User ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16-Digit Beneficiary ID For example, if your Beneficiary ID is 12*****, then your User ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if Folio Number is 001*** and EVEN is 101456, then User ID is 101456001***

- e. Your password details are given below:

- i. If you are already registered for e-voting, then you can use your existing password to log in and cast your vote.
- ii. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.

- f. How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the e mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, the last 8 digits of your client ID for your CDSL account or Folio Number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.

NOTICE TO THE SHAREHOLDERS

- (ii) If your email ID is not registered, please follow the steps mentioned below for registration of email ID and obtaining user ID / password for e-voting.
- g. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password :
 1. Click on the "Forgot User Details / Password?" (If you hold shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 2. A "Physical User Reset Password?" (If you hold shares in physical mode) option is available on www.evoting.nsdl.com.
 3. If you are still unable to get the password by the above two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / Folio Number, your PAN, your name and your registered address.
 4. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- h. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- i. Now, you will have to click on the "Login" button.
- j. After you click on the "Login" button, homepage of e-voting will open.

B. Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is 113039
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

16. Instructions for Members for attending AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/member login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid the last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. For the convenience of the Members and proper conduct of AGM, Members can login and join atleast 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM with use of technology, can:
 - Send a request to evoting@nsdl.co.in or use Toll free No.1800-222-990 or
 - Contact Mr.Amit Vishal, Senior Manager, email ID:Amitv@nsdl.co.in; Telephone No.022-24994360, Ms.Pallavi Mhatre, Manager, email ID:pallavid@nsdl.co.in; Telephone No.022-24994545 and Ms.Sarita Mote, Asst.Manager, email ID:evoting@nsdl.co.in; Telephone No.022-24994890.
4. Members are encouraged to join the meeting through Laptops for better experience.
5. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable WiFi or LAN connection to mitigate any kind of aforesaid glitches.

NOTICE TO THE SHAREHOLDERS

17. Procedure to raise questions/seek clarifications with respect to Annual Report:

As the AGM is being conducted through VC/OAVM for the smooth conduct of proceedings of the AGM, Members who would like to express their views/ask question as a speaker at the Meeting may pre-register themselves by sending request from their registered e-mail address mentioning their name DP ID and Client ID/folio number, PAN, email ID and mobile number at cs@butterflyindia.com from Thursday 13th August 2020 (9.00 a.m. IST) to Monday 17th August 2020 (5.00 p.m. IST). **Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.** The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Members are encouraged to submit their questions in advance with regard to financial statements or any other matter to be placed at the 33rd AGM from their registered e-mail address, mentioning their name, DP ID and client ID/folio number and mobile number to reach the Company's email address at cs@butterflyindia.com before 5.00 p.m (IST) on or before 17.8.2020, such questions by the Members shall be suitably replied to by the Company.

18. General Guidelines for Members:

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend AGM through VC/OAVM on its behalf and to vote through remote voting, by email to evoting@akjainassociates.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the 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 the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

19. Process for registration of email id for obtaining Annual Report and user id/password for e-voting and up-dation of bank account mandate for receipt of dividend:

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company sta@gnsaindia.com, providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	<p>Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</p>

20. Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of 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 authorised by him in writing, who shall countersign the same.
2. The result of the electronic voting shall be declared to the stock exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report shall be placed on the Company's website www.butterflyindia.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

NOTICE TO THE SHAREHOLDERS

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.3:

The Board of Directors of the Company, on recommendation of Audit Committee, approved the reappointment 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 2021.

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

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out in Item No.3 of the Notice for approval of the remuneration amounting to Rs.1,75,000/- plus applicable taxes, travel and out of pocket expenses to the Cost Auditors for the financial year ending on 31.3.2021.

The Board recommends the Ordinary resolution at Item no.3 for approval by the members.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No.4:

Mrs.Maheshwari Mohan was appointed as Non-Executive Independent Woman Director of the Company with effect from 21.8.2015 and she holds office upto 20.8.2020 ('first term').

Mrs.Maheshwari Mohan, Independent Woman Director fulfil the terms and conditions specified under the Act and Rules made thereunder for her reappointment as an Independent Director. She meets the criteria as prescribed both under Section 149(6) of the Act 2013 and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

Both Nomination and Remuneration Committee of the Directors and the Board were of the opinion, after evaluating her performance, appropriate skill, experience, competency and other attributes, that her continued association would be immense benefit to the Company and it is desirable to continue to avail Mrs.Maheshwari Mohan's services as an Independent Woman Director.

The Board of Directors at its meeting held on 14.5.2020, on the recommendation of the Nomination and Remuneration Committee, subject to approval of members at the ensuing Annual General Meeting, approved the reappointment of Mrs.Maheshwari Mohan as a Woman Independent Director for a second term of five years w.e.f. 21.8.2020.

Copy of the draft letter of reappointment 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 reappointment of Mrs.Maheshwari Mohan as a Woman Independent Director for the approval of the Members.

MEMORANDUM OF INTEREST:

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