

Butterfly Spirit





Contents

Corporate Overview

Introduction.....	1
Corporate Information....	3
Chairman's Message....	4
About Us....	6
Butterfly Spirit....	8
Our Performance....	15
Milestone....	16



Financial Statements

Independent Auditors' Report....	90
Balance Sheet....	98
Profit & Loss Account....	99
Cash Flow Statement....	101
Notes on Accounts....	102

Management Reports

Notice....	17
Directors' Report....	36
Management Discussion & Analysis....	42
Business Responsibility Report....	67
Report on Corporate Governance....	74

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 expressed 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.

Butterfly Spirit

2020-21 - a year which added strength to the Butterfly Spirit of overcoming challenges, exploring opportunities, launching innovative products and building new capabilities. A year, when possibilities took wing and daring to be different became more than a dream. A year, when we enlarged our geographical footprint, grew in size and recorded our highest growth. Anchored as always, to an unstinting commitment to quality, integrity, trust, transparency and accountability.



பட்டர்பிளையின் ஆற்றல்

2020-21 - பட்டர்பிளையின் உந்துதலுக்கு மேலும் வலிமையூட்டிய ஆண்டு. சவால்களை மேற்கொள்ளுதல், புதிய வாய்ப்புகளை ஆராய்ந்து அறிதல், புதிய திறன்களை வளர்த்துக் கொள்ளுதல் என பட்டர்பிளையின் உந்தாற்றலுக்கு மேலும் வலிமையூட்டிய ஓர் ஆண்டு. புதிய வாய்ப்புகள் சிறகடித்துப் பறக்க, வித்தியாசமாக இருப்பது வெறும் கனவாக மட்டும் இல்லாமல் நிஜமாக மாறிய ஆண்டு. நமது புவிதடத்தை வளர்த்து, நமது வளர்ச்சியின் உச்சகட்டத்தை அடைந்த ஓர் ஆண்டுகூட. தரம், நம்பிக்கை, நேர்மை, வெளிப்படைத்தன்மை, பொறுப்புணர்ச்சி போன்ற பண்புகளின் வேறுஅன்றி என்றென்றும் நிலைத்து நிலைக்கின்றோம்.

Corporate Information

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

COMPANY SECRETARY & GENERAL MANAGER - LEGAL

*Mr. K.S.Ramakrishnan

*Deceased on 18.5.2021

CHIEF FINANCIAL OFFICER

Mr. R.Nagarajan

REGISTERED OFFICE

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

CORPORATE OFFICE

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

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

BANKERS

State Bank of India

IDBI Bank

IndusInd Bank

The South Indian Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENT

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

Chairman's Message



Dear Shareholders,

It is a great pleasure to present the Annual Report for FY 2020-21, especially as the Company forged ahead with a creditable performance, despite the challenges of an unprecedented scale wrought by the global pandemic.

The year was marked by the Company out performing all operating parameters, strengthening the balance sheet and implementing various strategic initiatives to build Butterfly as a Market Leader. As one of India's largest manufacturers of Household Appliances, Butterfly has emerged as a trusted brand to millions of customers across the country.

The year 2020 was marked by the devastation and downturn triggered by the Covid-19 pandemic across the world. According to IMF - World Economic Outlook, the Global Economy plummeted to - 3.3 per

cent with a sharp contraction in manufacturing across geographies in the first quarter of the year. The Indian Economy also plunged with GDP recording - 8 per cent on the back of decline in growth in core industry sectors and weak market demand. The impact of the pandemic and lockdown was however disproportionately felt across industries. While travel, tourism, entertainment, etc. fared badly, sale of essential goods including Household Appliances gained momentum.

The challenges of staggered operations coupled with weak market demand impacted growth in the first quarter of the year. However your Company displayed great resilience and agility to record a very strong performance. Capacity utilisation at the Plants was at a record high for the remaining three quarters to meet the burgeoning market

demand. Your Company accelerated the process of digitalization and laid the framework for better customer responsiveness and turn-around-time enhancing the ease of buying. On-line branded sales touched a new peak during the year contributing to a significant percentage of Net Sales.

We continued to expand our pan India presence, with a more robust omni channel network, accessing new markets for greater growth, with the Northern regions accounting for 24% of our total sales.

The Net Income of the Company during the year ended 31st March 2021 was ₹ 869.6 crores as against ₹ 678.7 crores for the year ended 31st March 2020. The Company made a Net Profit After Tax of ₹ 36.7 crores against the Net Profit of ₹ 3.3 crores for the previous year.

//

The Butterfly Spirit of adapting to change has always been a core strength. A strength, that has enabled the Company not only to be resilient but also to stay ahead of the curve. //

With the Government of India's focus on 'Aatma Nirbhar Bharat' and Productivity Linked Incentive (PLI), and tariff barriers to pre-empt cheap imports, domestic manufacturing and industry development has been given primary focus. This, together with the China + One programmes of Global manufacturers considering India as the next preferred destination, the potential for growth is considerable. So is the opportunity for Domestic Appliance Manufacturing.

The Butterfly Spirit of adapting to change has always been a core strength. A strength, that has enabled the Company not only to be resilient but also to stay ahead of the curve. Keeping pace with the disruptions and changing technologies, the Company launched a wide range of new products during the year.

Butterfly is embracing new generation technologies to deepen its customer

engagement with innovative and futuristic digital products and services that define shopping in the New Normal.

The highly volatile and changing business dynamics, mandate a prudent risk management framework and strong, well-established financial practices. In line with this, we have in the past year put in place a strong framework of fiscal discipline to manage cost, pare down the debt burden and prevent balance sheet vulnerabilities.

Despite the challenging business environment, Butterfly worked with great diligence to further strengthen the fundamentals and to create long term value for all its stakeholders.

Trust, transparency, honesty, integrity and accountability define the Butterfly ethos. This has been the guiding principle which has directed

the Company and its Board members to carry the legacy forward.

At Butterfly our people have been our greatest assets and during these challenging times they have demonstrated great courage and commitment to achieve such amazing results. I would like to thank each one of them for their contribution to the performance of the Company.

I would like to express my gratitude to our customers, stakeholders, bankers and suppliers for their loyalty and continued support. Last but not the least, I would like to express my sincere appreciation and thanks to all our shareholders for their continued support and trust reposed in us.

Yours Sincerely,

V. M. Lakshminarayanan



About Us

From a humble beginning in 1986 Butterfly Gandhimathi Appliances Ltd or BGMAL has today emerged as one of the largest manufacturers of domestic kitchen and electrical appliances in India.

The Company is among the very few integrated manufacturers of Household appliances in India with multi-plant, state-of-the-art manufacturing facilities, a dedicated R&D wing and in-house tooling, mould and die making expertise, which ensure consistency in product quality.

BGMAL has pioneered many pathbreaking products and processes

that have redefined industry standards in the Household Appliance space in India. The Company was the first in the country to introduce health-friendly, Stainless Steel Pressure Cookers, fuel efficient Stainless Steel LPG Stoves and Vacuum Flasks with high heat retention properties.

Reputed for Quality and Durability, the Company's wide range of products marketed under the 'BUTTERFLY' brand include LPG Stoves, Mixer Grinders, Table Top Wet Grinders, Pressure Cookers, Stainless Steel Vacuum Flasks and Non-Stick Cookware. Other products comprise Juicers, Hand Blenders, Electric Irons, Power Hobs, Electric Rice

Cookers, Water Heaters (Geysers), Air Coolers, Electric Water Kettle, Electric Sandwich Maker, Electric Bread Toaster, Fans and Washing Machine.

A pan India presence with a strong distribution and channel network together with a dynamic, on-line platform enables the Company to cater to a wide and varied customer spectrum across the country.

The Company has also enlarged its global footprint with a growing customer base in the United Kingdom, Canada, Australia, USA, Middle East and East Asian countries, among others.

Our Philosophy

Our company's philosophy is to provide high quality kitchen and electrical appliances which offer ergonomic features and attractive design at great value for money to our customers and provide service that gives satisfaction to them, while upholding the core values of transparency, integrity, honesty, accountability and compliance with laws. We consider stakeholders at all levels as partners in our success and we remain committed to maximizing value of shareholders.

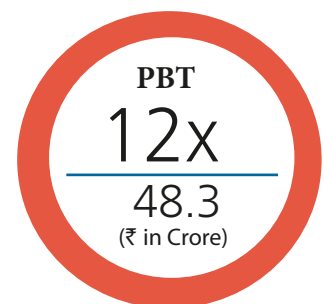
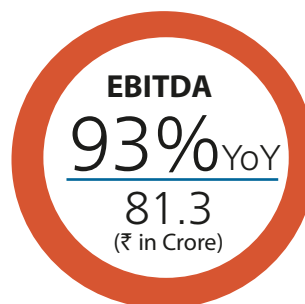
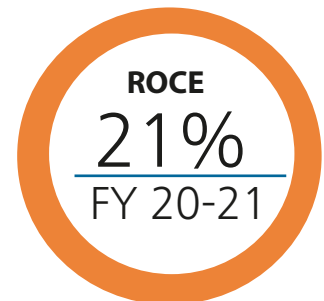
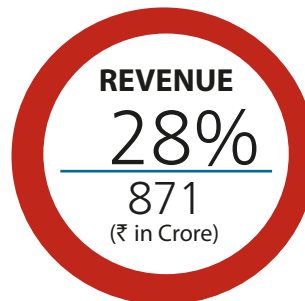
Highlights

FY 20-21

FY 2020-21 - Butterfly demonstrated its Spirit of surmounting challenges with differentiated, future-driven strategies for growth and market leadership.

The Company focused on consolidating its capabilities, building resilience through prudent fiscal management, enlarging its geographical footprint, and connecting with customers with value-driven, innovative products.

Exhibiting its true mettle, the Company forged ahead, pushing limits and exceeding set targets to drive exponential growth and build shareholder value.



Core Values

Transparency

Integrity

Honesty

Accountability

Compliance with laws

The Butterfly Spirit of self reliance, stretching limits & shaping the future.

The Butterfly Spirit of self reliance is reflected in the Company's dynamic position of being the largest and wholly integrated manufacturer of kitchen appliances in India. A position it has continued to hold for more than 3 decades in business.

BGMAL's multi - plant manufacturing facilities with integrated operations, provides it a competitive edge to address market demand with superior quality

products and just-in-time deliveries, without the burden of supply chain vulnerabilities or the dependence on imported components. More than 80 percent of the products are made in-house at the Company's own manufacturing facilities.

Surrounded by a lush green landscape, with extensive green cover, the main, state-of-the-art manufacturing Plant at Pudupakkam, Tamil Nadu, has

