

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

**eAnnual General Meeting held on 29th July 2021 at 11 a.m.
Transcript**

1. Mrs.Priya Varshinee V M: Good Morning to all !

1.1 Myself Priya Varshinee V M, Deputy Company Secretary cum Compliance Officer take pleasure in welcoming all to the 34th Annual General Meeting of the Company through Video Conference or Other Audio Visual Means. For the smooth running of this Meeting and to avoid audio disturbance from the background noise all the Members will be in mute mode during the meeting.

1.2.For the Members who have registered as speaker, the audio will be opened when they are requested to speak.

1.3 Social distancing norms are being followed in this board room and hence, wearing of mask is not required.

Now the meeting will start with a prayer *Tamilthai Vazhthu*.

2. Welcome by Mr.V.M.Lakshminarayanan, Chairman & Managing Director:

Good Morning to all.

I welcome all the shareholders and my colleague on the Board to the 34th Annual General Meeting of the Company which is being held through Video Conferencing/Other Audio Visual Means according to circulars issued by Ministry of Corporate Affairs and SEBI. The Company has taken all steps to ensure that the shareholders are provided opportunity to participate in the Annual General Meeting and vote. Adequate VC facility and live webcast of the proceedings of this meeting have also been provided. **As the requisite Quorum is present, I call the Meeting to order.** This is the second AGM that being done in VC/OAVM. This virtual AGM also helped shareholders all over the country to join the meeting.

3. Introduction of Directors and other Panalists:

Mrs. Priya Varshinee V M, Deputy Company Secretary cum Compliance Office: Now, for the benefit of the new shareholders, I would like to introduce Directors on the Board.

Mr.V.M.Lakshminarayanan, Chairman & Managing Director : Good morning to all.

Mr.V.M.Balasubramaniam, Vice Chairman & Managing Director : Good Morning to all.

Mr.V.M.Seshadri, Managing Director and Chairman of Risk Management Committee: Good Morning to all.

Mr.V.M.Gangadharam, Executive Director and Member of the Risk Management Committee.

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

Mr.K.Ganesan, Independent Director and Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee - Good Morning to all.

Mr.M.Padmanabhan, Independent Director and Member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee : Good morning to everybody.

Mr.A.Balasubramanian, Independent Director and Member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee - Good morning to everybody.

Mr.G.S.Samuel, Independent Director and Member of Corporate Social Responsibility Committee and Risk Management Committee : Good morning to all.

Mr.T.R.Srinivasan, Independent Director and Chairman of Corporate Social Responsibility Committee: Thank you every one.

Mrs.Maheshwari Mohan, Woman Independent Director.

Mr.G.N.Ramaswami, Partner of M/s.ASA Associates, Statutory Auditors, Mr.Balu Sridhar, Partner of M/s.A.K.Jain Associates, Practising Company Secretary, Scrutinizer for e-voting, are present through Video Conferencing for this AGM.

Myself Priya Varshinee V M, Deputy Company Secretary cum Compliance Officer and my colleague Mr.R.Nagarajan, Chief Financial Officer is also present in this AGM.

Mr.R.Nagarjan, Chief Financial Officer : Good morning to all.

All the Directors of the Company are present at this meeting.

4. Chairman's Speech:

Chairman : I am now handing over to Mrs.Priya Varshinee, Deputy Company Secretary to read out my Speech.

Mrs.Priya Varshinee : With the permission of the Chairman, I am reading his speech:

CHAIRMAN SPEECH

It gives me immense pleasure to welcome you all to the 34th Annual General Meeting of your Company. I trust your family and you are keeping well in the midst of unprecedented pandemic COVID-19. The Government and industries are fighting to revive and rebuild the economy in the challenging situations. Your company is also closely monitoring the global outbreak of coronavirus (COVID-19), and the Company has implemented a number of measures to protect our employees, communities and operations so the supply and movement of materials as well as the services that customers and society depend on the Company are less impacted.

It is the second year in a row that I miss the intimacy of face-to-face interaction with you, because of the COVID pandemic. However, the virtual format has enabled the shareholders all over the country to participate in the AGM safely from their homes.

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 you're Company displayed great resilience and agility to record a very strong performance. Capacity utilisation at the Plants was at a high record for the remaining three quarters to meet the flourishing 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.

Keeping in mind the impressive performance of the Company even in the prevailing pandemic situation, the Board of Directors declared the interim dividend twice during the year to reward the shareholders who were waiting patiently with confidence and trust on the Company for the past several years without dividend. Your confidence and trust gave a remarkable strength to the growth of the Company.

The Butterfly Spirit of adapting to change has always been 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. 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.

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.

Corporate Governance:

Your Company believes that good Corporate Governance practices would ensure ethical and efficient conduct of the affairs of the company and also help in maximizing value to all its stakeholders. The company endeavours to uphold the practices of good Corporate Governance to ensure transparency, integrity and accountability. Your Company has been complying with all the requirements of corporate governance as stipulated in the Companies Act, 2013 and Listing Regulations. The Board of Directors of your Company is well aware that good Corporate Governance is a continuous exercise and adherence to sound principles is the cornerstone to meet stakeholders' aspirations and societal expectations. I would like to inform that your Company has a well-established internal control mechanism which is being constantly improved upon and upgraded to ensure management effectiveness, efficiency, reliable reporting on operations, finances, securing high level of legal compliances and risk management.

Industrial Relations:

I am also pleased to inform you that, industrial relations at all units were cordial during the year under review and, on behalf of your Directors; I acknowledge the co-operation and contribution of the entire workforce.

Acknowledgment:

I would like to take this opportunity to thank all our valued customers, Bankers, Suppliers and all other stakeholders for their continued support and contribution. More importantly I would like to thank our employees at all levels for their hard work and valuable contributions that have helped to keep the Company on the growth path.

I would like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company to higher level of achievements.

On behalf of the Board of Directors, I would like to extend my sincere appreciation to all our shareholders for their continued support and trust reposed in us. This motivates us to excel in all our pursuits and constant endeavour to create value for you.

JAI HIND

5. Business/Agenda Items

Chairman:

- Notice dated 14.6.2021 convening this AGM and copy of the Annual Report 2021 for financial year 31.3.2021 has already been circulated to all the Members of the Company and it was with you for quite some time. With your permission, I shall take them as read.
- As there is no qualification, observations, adverse remarks or disclaimers in the Auditors' Report, the same can be taken as read.
- The Register of Directors and Key Managerial Personnel and their shareholding will be available electronically for inspection by the Members during the AGM.

Chairman: Mrs.Priya Varshinee, Deputy Company Secretary, on my behalf will now read out the resolution to be passed.

Mrs.Priya Varshinee: As you would have read all the resolutions, I am giving the gist of resolutions to be passed in this AGM:

Resolution No.1: To adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2021 together with the Reports of the Board of Directors and Auditors thereon as an Ordinary Resolution

Resolution No.2: To confirm the payment of Dividend as an Ordinary Resolution.

Resolution No.3: Retirement of Directors: Mr.V.M.Gangadharam, who retires by rotation and being eligible offers himself for reappointment as an Ordinary Resolution.

Resolution No.4: Reappointment of Mr.V.M.Gangadharam, Executive Director for a term of five years with effect from 01.10.2021 as a Special Resolution.

Resolution No.5: Reappointment of Mr.V.M.Kumaresan, Executive Director - Technical for a term of five years with retrospective effect from 01.06.2021 as a Special Resolution.

Resolution No.6: Ratification of remuneration payable to Cost Auditors in Special Business as an Ordinary Resolution.

Resolution No.7: Contribution to Bonafide Charitable and other Funds as a Special Resolution.

Members who have not cast their votes can do the same now going to evoting link of www.e-voting.nsdl.com and cast their vote. The results will be declared within two working days of the meeting in Stock Exchanges and Company's website.

6. Question & Answer session:

Mrs.Priya Varshinee, Deputy Company Secretary cum Compliance Officer : Now it is question & answer session. Shareholders can ask their question. Moderator can now unmute the Speaker Shareholders one by one as the speak.

Moderator: Now we have the first speaker Mr.Kaushik Shahukar. Mr.Kaushik, can you just switch on the camera and speak please?

Mr.Kaushik Shahukar: Am I audible Sir?

Moderator: Yes Sir, you are audible.

Mr.Kaushik Shahukar : Let me introduce myself Kaushik Shahukar. I hope I am audible.

Chairman : Yes

Mr.Kaushik Shahukar: Professionally I am Chartered Accountant, Medically I am suffering from dyssomia, 55% of my body is paralysed and disinfected my right hand, my right leg and my speech. I have not however treated this embranceses have mentioned despite my medical condition I have successfully completed my CA course. I strongly believe that I am self-reliant. I admire virtue of Butterfly Gandhimathi Appliances Ltd. sharing their principles as self-reliant to ongoing continues process. You are making the possible changes in the society. If you can shower same blessings on me it can change my life too. Due to aforesaid I have approached Butterfly Gandhimathi Appliances Ltd to work in certification area. Unfortunate it has not progressed. I would, therefore like to use this forum to reach out to you and explore avenues and we could work together. I am confident you will find

my professional service and obligation. I would like to thank Board of Directors for patiently hearing me and special thanks to entire Secretarial Team and Mrs.Priya. Please accept my big thanks and it is from bottom of my heart. I was so clear and audible. Thanks to all.

Mrs.Priya Varshinee : Thank you sir.

Chairman : Your audio is audible and your views are taken and also we see our Company is to meet out all your ideas. Once again thank you very much for giving your ideas and talk to us. Thank you.

Moderator: Now we have the second speaker Chairman Sir. Mr. Harshil Parekh.

Mr. Harshil Parekh : Am I audible and clearly visible?

Moderator : Yes, please go ahead you are visible.

Mr.Harshil Parekh: Yes. Thank you for giving this opportunity to speak at this AGM. First Thank you Chairman, Mr.V.M.Lakshminarayanan and all the Directors for hearing from the shareholders. With your vision and thoughts we have come this level. The Company has grown very well. My question is what are the plans that Company have to introduce new appliances? Have you been looking ahead of any other appliances other than kitchen appliances? Because we are great in kitchen appliances, maybe, we can do home appliances like vacuum cleaner or something like that or similar lines. Now that our Company is performing so very well if I have to see, our total line is 679 to 879 CR. A very positive change in this pandemic year. Best thing is our EBITDA breakeven 41 to 82 that is almost doubling not in fact doubling that is amazing that creates more of the shareholder well and PAT is going from 4CR to 37CR as numbers are amazing. EPS 1.8 to 20 we have really performed very well. Although top line increasing by only 15 to 20% and the bottom line is increased. We are better of saving the cost and working on that. We can also try the new appliances. Wherein some of the queries have been answered by the Chairman and the lady who read the speech and I don't need any further clarification. I think some earlier speaker spoke about some CSR activities and professional work. I think we can try and support such kind of tie ups and upliftment. G.S.Samuel sir, heading the CSR team, CSR could take out of this and Chairman could consider this as well. But really our Company is doing great and we hope it will reach new height. We are now across in the brands across India. That is great. Once again I thank for giving me the opportunity to Speak. Thank you sir.

Chairman : Thank you Mr.Parekh. So expansion of the Company and going for any moderating this process, such thing will be explained by Mr.V.M.Seshadri, MD of this Company.

Mr.V.M.Seshadri, Managing Director : Yes Mr.Parekh. We are having plans from kitchen appliances to home appliances but it will take another two years not immediate. But here the kitchen appliances we want to ensure this year to have a continuous growth like minimum 15% and lot of things you have already spoken about EPS all the things and keep it strongly because of this COVID last year and this year also first quarter started, though going to another lines we have to go one year later only not this year. But this year we have lot of jobs to make, making profits and earnings and these are all our concentration. Introducing the new products in this line itself not the home appliances and kitchen appliances we want to make it and we want to be stronger here. We are planning and we are making as you wish. Definitely that is our aim. There is no second thought on that. Thank you.

Moderator: We have the third speaker Chairman sir, Mr.Yusuf Yumus Rangwala. But he has not joined.

7. Evoting:

Priya Varshinee :As we have no other speaker, we put the question & answer section to close. The e-voting will be remained opened till 15 minutes on conclusion of this meeting. The shareholders who have queries on accounts may write to the Company and it will be replied suitably

.

8. Conclusion:

Chairman: As it seems the question been asked and answered, now, I declare the meeting is closed. Stay safe, stay healthy. We will meet in the next AGM.

Thank you very much JAI HIND

The meeting concluded with National Anthem.