

**BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

Regd. Office: 143, Pudupakkam Village, Vandalur-Kelambakkam Road,  
Kelambakkam – 603 103, Kancheepuram District  
CIN: L28931TN1986PLC012728  
e-mail: cs@butterflyindia.com; Website: www.butterflyindia.com

**NOTICE OF POSTAL BALLOT PURSUANT TO SECTIONS 108 & 110  
OF THE COMPANIES ACT 2013**

Dear Members,

Notice is hereby given pursuant to Sections 108 and 110 of the Companies Act 2013 (“the Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to other applicable laws and regulations, the company seeks approval of the Members, via Postal Ballot through voting by post or through electronic means.

The Explanatory Statement pertaining to the said Resolutions pursuant to Section 102 of the Companies Act 2013 setting out the material facts and related particulars are annexed hereto along with the Postal Ballot form for your consideration.

Members’ consent is sought for the proposals contained in the Resolutions given in this Notice.

The Company has appointed Mr. Balu Sridhar, Partner, M/s.A.K.Jain Associates, Company Secretaries (C.P.No.3550), as scrutinizer (the “Scrutinizer”) for conducting the voting by Postal Ballot and through electronic means in a fair and transparent manner.

Members have the option to vote either by Postal Ballot or through e-voting. Members opting to vote by Postal Ballot are requested to read carefully the instructions printed on the Postal Ballot Form and return the same, completed and signed, in the enclosed self-addressed postage prepaid envelope, so as to reach the Scrutinizer on or before the close of working hours on 6th February 2019. Members who opt for e-voting are requested to read carefully the instructions given in the Notes forming part of this Notice.

The Scrutinizer shall, submit his report to the Chairman of the Company or in his absence to any other wholetime Director of the Company authorized by the Board of Directors, for such purpose, who shall declare the same. The results of the postal ballot and e-voting will be declared/displayed on 8th February 2019 at the Corporate Office at E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur – 600 130, Kancheepuam District. The declared results along with the Scrutinizer’s Report, will be available on the Company’s website viz., www.butterflyindia.com and will be displayed at the Corporate Office of the Company, besides being communicated to BSE Ltd and National Stock Exchange of India Limited, the stock exchanges on which equity shares of the Company are listed and National Securities Depository Limited (NSDL) engaged by the Board of Directors of the Company for facilitating e-voting, will also display these results on its website www.evoting.nsdl.com.

Navalur – 600103  
Date - 22.12.2019

By Order of the Board  
K.S.Ramakrishnan  
Company Secretary &  
General Manager - Legal

**SPECIAL BUSINESS****1. To approve the continuance of service of Mr.V.M.Lakshminarayanan, as Managing Director under Section 196(3) of the Companies Act, 2013:**

To consider and, if thought fit, to pass the following resolution(s) as **Special Resolution:**

**RESOLVED THAT** pursuant to Section 196 (3) and other applicable provisions, if any, of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any statutory modifications or re-enactment thereof, for the time being in force, consent of the Members of the Company be and is hereby accorded for continuation of holding office of Managing Director by Mr.V.M.Lakshminarayanan (DIN No.00106346) who has attained the age of 70 (seventy) years on 5th August 2018 upto the expiry of his present tenure of office till 30.11.2019.

**RESOLVED FURTHER THAT** Mr.V.M.Seshadri, Managing Director and Mr.K.S.Ramakrishnan, Company Secretary & General Manager – Legal be and is hereby authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.

**2. To approve increase in remuneration of Mr.V.M.Lakshminarayanan, Chairman & Managing Director:**

To consider and, if thought fit, to pass the following resolution(s) as **Special Resolution(s).**

**“RESOLVED THAT** pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for increase of remuneration payable to Mr.V.M.Lakshminarayanan, [DIN.00106346], Managing Director of the Company with effect from 01.01.2019 for the remaining period of his present tenure, i.e, up to 30.11.2019 on the terms and conditions as set out in the explanatory statement annexed hereto.

**“RESOLVED FURTHER THAT** except for the revision in the remuneration as stated in the explanatory statement, all other terms and conditions of appointment of Mr.V.M.Lakshminarayanan, as approved earlier by the members at the Annual General Meeting held on 31.07.2014, and which are not dealt with in this resolution, shall remain unaltered.”

**RESOLVED FURTHER THAT** the Board of Directors (on the recommendation of Nomination and Remuneration Committee) be and is hereby authorised to revise, alter, amend, and vary the remuneration and other terms and conditions of the appointment of Mr.V.M.Lakshminarayanan, in such manner as may be permissible in accordance with the provisions of the Companies Act 2013 or any modification or re-enactment thereto and as may be agreed to by and between the Board of Directors and Mr.Lakshminarayanan, without any further reference to the shareholders in General Meeting.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Mr.Lakshminarayanan will be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under Section II of Part II of Schedule V of the Companies Act 2013, by making such compliance as provided in the said schedule.

**RESOLVED FURTHER THAT** Mr.V.M.Seshadri, Managing Director and Mr. K.S.Ramakrishnan, Company Secretary & General Manager – Legal, be and are hereby severally authorised to file the requisite forms with MCA Portal and to do all acts, deeds and things in this connection.”

**3. To approve increase in remuneration of Mr.V.M.Balasubramaniam, Vice Chairman & Managing Director:**

To consider and, if thought fit, to pass the following resolution(s) as **Special Resolution(s):**

**“RESOLVED THAT** pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for increase of remuneration payable to Mr.V.M.Balasubramaniam, [DIN.00106428], Managing Director of the Company for the remaining period of his present tenure, i.e, upto 31.07.2019 on the terms and conditions as set out in the explanatory statement annexed hereto.

**“RESOLVED FURTHER THAT** except for the revision in the remuneration as stated in the explanatory statement, all other terms and conditions of appointment of Mr.V.M.Balasubramaniam, as approved earlier by the members at the Annual General Meeting held on 31.07.2014, and which are not dealt with in this resolution, shall remain unaltered.”

**RESOLVED FURTHER THAT** the Board of Directors (on the recommendation of Nomination and Remuneration Committee) be and is hereby authorised to revise, alter, amend, and vary the remuneration and other terms and conditions of the appointment of Mr.V.M.Balasubramaniam, in such manner as may be permissible in accordance with

the provisions of the Companies Act 2013 or any modification or re-enactment thereto and as may be agreed to by and between the Board of Directors and Mr.Balasubramaniam, without any further reference to the shareholders in General Meeting.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Mr.Balasubramaniam will be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under Section II of Part II of Schedule V of the Companies Act 2013, by making such compliance as provided in the said schedule.

**RESOLVED FURTHER THAT** Mr.V.M.Seshadri, Managing Director and Mr.K.S.Ramakrishnan, Company Secretary & General Manager – Legal, be and are hereby severally authorised to file the requisite forms with MCA Portal and to do all acts, deeds and things in this connection.”

#### **4. To approve increase in remuneration of Mr.V.M.Seshadri, Managing Director**

To consider and, if thought fit, to pass the following resolution(s) as **Special Resolution(s)**:

**“RESOLVED THAT** pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for increase of remuneration payable to Mr.V.M.Seshadri, [DIN.00106506], Managing Director of the Company for the remaining period of his present tenure, i.e, up to 30.05.2022 on the terms and conditions as set out in the explanatory statement annexed hereto.

**“RESOLVED FURTHER THAT** except for the revision in the remuneration as stated in the explanatory statement, all other terms and conditions of appointment of Mr.V.M.Seshadri, as approved earlier by the members at the Annual General Meeting held on 05.08.2016, and which are not dealt with in this resolution, shall remain unaltered.”

**RESOLVED FURTHER THAT** the Board of Directors (on the recommendation of Nomination and Remuneration Committee) be and is hereby authorised to revise, alter, amend, and vary the remuneration and other terms and conditions of the appointment of Mr.V.M.Seshadri, in such manner as may be permissible in accordance with the provisions of the Companies Act 2013 or any modification or re-enactment thereto and as may be agreed to by and between the Board of Directors and Mr.Seshadri, without any further reference to the shareholders in General Meeting.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Mr.Seshadri will be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under Section II of Part II of Schedule V of the Companies Act 2013, by making such compliance as provided in the said schedule.

**RESOLVED FURTHER THAT** Mr.V.M.Lakshminarayanan, Chairman & Managing Director and Mr.K.S.Ramakrishnan, Company Secretary & General Manager – Legal, be and are hereby severally authorised to file the requisite forms with MCA Portal and to do all acts, deeds and things in this connection.”

#### **5. To approve increase in remuneration of Mr.V.M.Gangadharam, Executive Director:**

To consider and, if thought fit, to pass the following resolution(s) as **Special Resolution(s)**:

**RESOLVED THAT** pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for increase of remuneration payable to Mr.V.M.Gangadharam, [DIN.00106466], Executive Director of the Company for the remaining period of his present tenure, i.e, up to 30.09.2021 on the terms and conditions as set out in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** except for the revision in the remuneration as stated in the explanatory statement, all other terms and conditions of appointment of Mr.V.M.Gangadharam, as approved earlier by the members at the Annual General Meeting held on 05.08.2016 and which are not dealt with in this resolution, shall remain unaltered.

**RESOLVED FURTHER THAT** the Board of Directors (on the recommendation of Nomination and Remuneration Committee) be and is hereby authorised to revise, alter, amend, and vary the remuneration and other terms and conditions of the appointment of Mr.V.M.Gangadharam, in such manner as may be permissible in accordance with the provisions of the Companies Act 2013 or any modification or re-enactment thereto and as may be agreed to by and between the Board of Directors and Mr.Gangadharam, without any further reference to the shareholders in General Meeting.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Mr.Gangadharam will be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under Section II of Part II of Schedule V of the Companies Act 2013, by making such compliance as provided in the said schedule.

**RESOLVED FURTHER THAT** Mr.V.M.Seshadri, Managing Director and Mr.K.S.Ramakrishnan, Company Secretary & General Manager – Legal, be and are hereby severally authorised to file the requisite forms with MCA Portal and to do all acts, deeds and things in this connection.”

#### **6. To approve increase in remuneration of Mr.V.M.Kumaresan, Executive Director - Technical**

To consider and, if thought fit, to pass the following resolution(s) as **Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for increase of remuneration payable to Mr.V.M.Kumaresan, [holding DIN:00835948], Executive Director - Technical of the Company for the remaining period of his present tenure, i.e, upto 31.05.2021 on the terms and conditions as set out in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** except for the revision in the remuneration as stated in the explanatory statement, all other terms and conditions of appointment of Mr.V.M.Kumaresan, as approved earlier by the members at the Annual General Meeting held on 20.08.2015, and which are not dealt with in this resolution, shall remain unaltered.

**RESOLVED FURTHER THAT** the Board of Directors (on the recommendation of Nomination and Remuneration Committee) be and is hereby authorised to revise, alter, amend, and vary the remuneration and other terms and conditions of the appointment of Mr.V.M.Kumaresan, in such manner as may be permissible in accordance with the provisions of the Companies Act 2013 or any modification or re-enactment thereto 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.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Mr.Kumaresan will be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under Section II of Part II of Schedule V of the Companies Act 2013, by making such compliance as provided in the said schedule.

**RESOLVED FURTHER THAT** Mr.V.M.Seshadri, Managing Director and Mr.K.S.Ramakrishnan, Company Secretary & General Manager – Legal, be and are hereby severally authorised to file the requisite forms with MCA Portal and to do all acts, deeds and things in this connection.”

### **EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

#### **Item No.1:**

The shareholders of the Company at the 27th Annual General Meeting held on 31.07.2014 approved reappointment of Mr.V.M.Lakshminarayanan as Managing Director of the Company for a period of five years effective from 01.12.2014 through a special resolution under the relevant provisions of the Companies Act 2013. Mr.Lakshminarayanan attained the age of 70 in the month of August 2018.

Mr.Lakshminarayanan, been a Managing Director of the Company since 2011 has gained vast experience in all the key areas of management. He has effectively led the senior leadership team and is involved in setting vision of the Company, building strategy and mentoring the management.

Having regard to his background, experience, expertise and contribution to the Company as its Chairman & Managing Director, the Board of Directors considers that his continuance on the Board as Chairman & Managing Director will be highly beneficial to the Company's progress.

As per the Section 196(3) of the Companies Act 2013, the Company seeks consent of the Members by way of special resolution for his continuance as Chairman & Managing Director till the conclusion of his present tenure 30.11.2019. The Board, therefore, recommend the special resolution for your approval.

#### **MEMORANDUM OF INTEREST**

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

**Item No.2:**

At the Extraordinary General Meeting of the Company held on 24<sup>th</sup> December 2011 Mr.V.M.Lakshminarayanan was appointed as a Managing Director of the Company for a period of three years w.e.f. 1.12.2011, whose period of office is not subject to retirement by rotation. Subsequently, the remuneration of Mr.V.M.Lakshminarayanan was revised by the members at the AGM held on 31.08.2012. He was re-appointed at the AGM held on 31.07.2014 on the same remuneration, i.e., with no revision. The present tenure of Mr. V.M.Lakshminarayanan as Managing Director expires on 30<sup>th</sup> November 2019. The proposed terms of revised remuneration payable to Mr.V.M.Lakshminarayanan as Managing Director of the Company with effect from 1<sup>st</sup> January 2019 are as follows:

**I. SALARY AND PERQUISITES:**

1. Salary	Rs.72,00,000/- per annum or Rs.6,00,000/- per month, including dearness and all other allowances
2. Medical	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Air fare to any place in India or abroad once a year.
Note: 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.
<p>Note 1: Perquisites I (2 to 4) 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.</p> <p>Note 2: The Board of Directors will have the liberty to re-fix 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.</p>	
6. Other Benefits:	
a. Provident Fund Contribution	As per rules of the Company
b. Gratuity	Not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs.20 lakhs.
c. Earned of Leave	As per rules of the Company
Note: Contribution to Provident Fund, Gratuity payable and earned 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.	
7. Car	Use of Company maintained car with driver for official purposes.
8. Telephone/Mobile Phone	Telephone at residence and Mobile phone for official use.
Note: 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.Lakshminarayanan as Managing Director, the Company has no profits or its profits are inadequate, the Salary and Perquisites stated vide I (1 to 8) above will be paid as minimum remuneration to him.

**II. COMMISSION:**

In addition to his salary and perquisites stated vide (1 to 8) above, where the company earns profits in a financial year as per the calculations made under Section 198 of the Companies Act 2013, Mr.V.M.Lakshminarayanan together with the four other managerial personnel viz., Messrs.V.M.Balasubramaniam, V.M.Seshadri, V.M.Gangadharam and V.M.Kumaresan 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.

The Nomination and Remuneration Committee at its meeting held on 22.12.2018 reviewed the Remuneration of Mr.V.M.Lakshminarayanan, Managing Director, which was revised in the year 2012. For the past 6 years, no revision was made. He is having rich experience for the past over 52 years in the manufacturing and marketing of home appliances products. He has gained vast experience in all the key areas of management. He has traveled widely and holds high connections in the country and abroad. He is the Founder Chairman of Indo Russian Chamber of Commerce & Industry. Further, taking into account the rich contribution of Mr.Lakshminarayanan, subject to approval of Members of the Company, the Board of Directors recommended his revision of remuneration with effect from 01.01.2019.

The Board recommends the Special Resolution be set out at item No.2 of the Notice for your consideration and approval.

**MEMORANDUM OF INTEREST**

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

**Item No.3:**

Mr.V.M.Balasubramaniam was appointed as the first Managing Director of the Company, at its Extraordinary General Meeting held on 21.12.1992 and he continued to hold the position upto 31.05.2011.

He was again appointed as a Managing Director of the Company for a period of five years with effect from 01.08.2014 in the Annual General Meeting held on 31.7.2014.

The proposed terms of revised remuneration payable to Mr.V.M.Balasubramaniam as Vice Chairman & Managing Director of the Company with effect from 1<sup>st</sup> January 2019 are as follows:

**I. SALARY AND PERQUISITES**

1. Salary	Rs.70,80,000/- per annum or Rs.5,90,000/- per month, including dearness and all other allowances
2. Medical	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Air fare to any place in India or abroad once a year.
Note: 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.
<p>Note 1: Perquisites I (2 to 4) 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.</p> <p>Note 2: The Board of Directors will have the liberty to re-fix 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.</p>	

6. Other Benefits:	
a. Provident Fund Contribution	As per rules of the Company
b. Gratuity	Not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs.20 lakhs.
c. Earned Leave	As per rules of the Company
Note: Contribution to Provident Fund, Gratuity payable and earned leave 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	
7. Car	Use of Company maintained car with driver for official purposes.
8. Telephone/Mobile Phone	Telephone at residence and Mobile phone for official use.
Note: 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.Balasubramaniam as Vice Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Salary and Perquisites stated vide I (1 to 8) above will be paid as minimum remuneration to him.

## II. COMMISSION:

In addition to his salary and perquisites stated vide (1 to 8) above, where the company earns profits in a financial year as per the calculations made under Section 198 of the Companies Act 2013, Mr.V.M.Balasubramaniam together with the four other managerial personnel viz., Messrs.V.M.Lakshminarayanan, V.M.Seshadri, V.M.Gangadharam and V.M.Kumaresan 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.

The Nomination and Remuneration Committee at its meeting held on 22.12.2018 reviewed the above remuneration package of Mr.Balasubramaniam in the light of the phenomenal growth in the Company's performance and its projections for the next three years. Having regard to the rich experience in the manufacturing and marketing of home appliances for the past 49 years and has richly contributed for the Company's progress during his tenure as Managing Director of the Company for 18 years as above and played a pivotal role in the Company's turnover and also considering the enhanced salaries paid to the Company's Senior Executives, the Committee felt that in order to achieve the set growth plan, it is imperative that Vice Chairman & Managing Director of the Company, be adequately remunerated. Accordingly, the Committee recommended the revised remuneration, which was approved at the meeting of the Board of Directors. The remuneration package for similar position is much higher than the remuneration proposed to be paid to Mr.Balasubramaniam in Companies with similar synergies.

The Board recommends the Special Resolution be set out at item No.3 of the Notice for your consideration and approval.

## MEMORANDUM OF INTEREST

Mr.Balasubramaniam is interested or concerned in the resolution and Messrs.V.M.Lakshminarayanan, Chairman & Managing Director, V.M.Seshadri, Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical, being relatives of Mr.Balasubramaniam, are also deemed to be concerned or interested in the resolution. No other Directors or Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution.

#### Item No.4:

At the Annual General Meeting of the Company held on 11.8.2011, Mr.V.M.Seshadri was appointed as Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> June 2011. Subsequently, the remuneration of Mr.V.M.Seshadri was revised by the members at the AGM held on 31.08.2012. At the Annual General Meeting held on 26.07.2013, he was reappointed as a Managing Director for a term of three years with effect from 1<sup>st</sup> June 2014 with no revision in the remuneration. Subsequently, at the Annual General Meeting held on 05.08.2016, Mr.V.M.Seshadri was reappointed by the Members through a Special Resolution as Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> June 2017, whose period of office shall be liable to retirement of Directors by rotation. The proposed terms of revised remuneration payable to Mr.V.M.Seshadri as Managing Director of the Company with effect from 1<sup>st</sup> January 2019 are as follows:

#### I. SALARY AND PERQUISITES

1. Salary	Rs.69,60,000/- per annum or Rs.5,80,000/- per month, including dearness and all other allowances
2. Medical	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Air fare to any place in India or abroad once a year.
Note: 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.
Note 1: Perquisites I (2 to 4) 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.	
Note 2: The Board of Directors will have the liberty to re-fix 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	As per the rules of the Company
b. Gratuity	Not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs.20 lakhs.
c. Earned Leave	As per rules of the Company
Note: Contribution to Provident Fund, Gratuity payable and earned leave 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	
7. Car	Use of Company maintained car with driver for official purposes.
8. Telephone/Mobile Phone	Telephone at residence and Mobile phone for official use.
Note: 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.Seshadri as Managing Director the Company has no profits or its profits are inadequate, the Salary and Perquisites stated vide I (1 to 8) above will be paid as minimum remuneration to him.

#### II. COMMISSION:

In addition to his salary and perquisites stated vide (1 to 8) above, where the company earns profits in a financial year as per the calculations made under Section 198 of the Companies Act 2013, Mr.V.M. Seshadri together with the four other managerial personnel viz., Messrs.V.M.Lakshminarayanan, V.M. Balasubramaniam, V.M.Gangadharam and V.M.Kumaresan 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.

The Nomination and Remuneration Committee at its meeting held on 22.12.2018 reviewed the above remuneration of Mr.Seshadri, Managing Director, which was revised in the year 2012. For the past 6 years no revision was made. He has immensely contributed to the performance and growth of the Company, despite sluggish retail market conditions. He has ensured utmost financial control and has implemented corporate strategies for the Company's growth. Considering the enhanced salaries paid to the Company's Senior Executives, it is felt that in order to achieve the set growth plan, it is imperative that Mr.Seshadri, be adequately remunerated.

The Board recommends the Special Resolution be set out at item No.4 of the Notice for your consideration and approval.

## MEMORANDUM OF INTEREST

Mr.Seshadri may be deemed to be concerned or interested in the resolution and Messrs.V.M.Lakshminarayanan, Managing Director, V.M. Balasubramaniam, Vice Chairman & Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical being relatives of Mr.Seshadri may be deemed to be concerned or interested in the resolution. Except aforesaid, no other Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution.

### Item No.5

At the Annual General Meeting held on 29.10.1994, Mr.Gangadharam was appointed as Wholetime Executive Director of the Company w.e.f.1.10.1994 and since then, with the approval of the Members, he has been continuing as the Wholetime Executive Director of the Company.

The proposed terms of revised remuneration payable to Mr.V.M.Gangadharam as Executive Director of the Company with effect from 1<sup>st</sup> January 2019 are as follows:

#### I. SALARY AND PERQUISITES

1. Salary	Rs.67,20,000/- per annum or Rs.5,60,000/- per month, including dearness and all other allowances
2. Medical	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Air fare to any place in India or abroad once a year.
Note: 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.
Note 1: Perquisites I (2 to 4) 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.	
Note 2: The Board of Directors will have the liberty to re-fix 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	As per rules of the Company
b. Gratuity	Not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs.20 lakhs.
c. Earned Leave	As per rules of the Company
Note: Contribution to Provident Fund, Gratuity payable and earned 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	
7. Car	Use of Company maintained car with driver for official purposes.
8. Telephone/Mobile Phone	Telephone at residence and Mobile phone for official use.
Note: 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.Gangadharam as Executive Director the Company has no profits or its profits are inadequate, the Salary and Perquisites stated vide I (1 to 8) above will be paid as minimum remuneration to him.

## II. COMMISSION:

In addition to his salary and perquisites stated vide (1 to 8) above, where the company earns profits in a financial year as per the calculations made under Section 198 of the Companies Act 2013, Mr.V.M.Gangadharam together with the four other managerial personnel viz., Messrs.V.M.Lakshminarayanan, V.M. Balasubramaniam, V.M. Seshadri and V.M.Kumaresan 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.

The Nomination and Remuneration Committee at its meeting held on 22.12.2018 reviewed the Remuneration of Mr. V M Gangadharam, Executive Director, which was revised in the year 2012. Mr.Gangadharam is having wide experience in the production and marketing of home appliances for about four decades. He has richly contributed for the Company's progress all these years.

Mr.V.M.Gangadharam as Executive Director has richly contributed for successfully achieving the accelerated growth milestones of the Company. His untiring efforts for ensuring time-bound supplies against the orders of Tamil Nadu Civil Supplies Corporation Limited (TNCSC) during the financial years 2011-12 and 2012-13 is praise worthy. After completion of Government Order sales, he has concentrated in the branded sales and increase the turnover as per the budget. His relentless efforts for continuing and sustaining the impressive growth of the Company are expected to take it nearer to its peers. Considering the enhanced salaries paid to the Company's Senior Executives, the Committee felt that in order to achieve the set growth plan, it is imperative that Mr.Gangadharam, be adequately remunerated. Accordingly, it is recommended the revised remuneration as explained vide resolution no.4 of the notice convening this postal ballot be approved. The remuneration package for similar position is much higher than the remuneration proposed to be paid to Mr.Gangadharam in Companies with similar synergies.

The Board recommends the Special Resolution be set out at item No.5 of the Notice for your consideration and approval.

## MEMORANDUM OF INTEREST

Mr.Gangadharam may be deemed to be interested or concerned in the resolution and Messrs.V.M.Lakshminarayanan, Chairman & Managing Director, V.M.Balasubramaniam, Vice Chairman & Managing Director, V.M.Seshadri, Managing Director, and V.M.Kumaresan, Executive Director-Technical, G.Viswanathan, Senior Vice President – Materials Management and V.M.G.Mayuresan, Vice President -Corporate Strategy, being relatives of Mr.Gangadharam, are also deemed to be concerned or interested in the resolution. Except aforesaid, no other Directors or Key Managerial Personnel or their relatives are interested or concerned, financial or otherwise, in the resolution.

### Item No.6:

Mr.Kumaresan, was appointed by the members as Whole Time Executive Director-Technical for a period of years with effect from 1<sup>st</sup> June 2016 at the Annual General Meeting held on 20.8.2015 is continuing to hold the said office.

The proposed terms of revised remuneration payable to Mr.V.M.Kumaresan as Executive Director-Technical of the Company with effect from 1<sup>st</sup> January 2019 are as follows:

## I. SALARY AND PERQUISITES

1. Salary	Rs. .67,20,000/- per annum or Rs.5,60,000/- including dearness and all other allowances
2. Medical	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Air fare to any place in India or abroad once a year.
Note: 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.
Note 1: Perquisites I (2 to 4) 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.	
Note 2: The Board of Directors will have the liberty to re-fix 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	As per rules of the Company.
b. Gratuity	Not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs.20 lakhs.
c. Earned Leave	As per rules of the Company
Note: Contribution to Provident Fund, Gratuity payable and earned leave 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	
7. Car	Use of Company maintained car with driver for official purposes.
8. Telephone/Mobile Phone	Telephone at residence and Mobile phone for official use.
Note: 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 the Company has no profits or its profits are inadequate, the Salary and Perquisites stated vide I (1 to 8) above will be paid as minimum remuneration to him.

## II. COMMISSION:

In addition to his salary and perquisites stated vide (1 to 8) above, where the company earns profits in a financial year as per the calculations made under Section 198 of the Companies Act 2013, 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.

The Nomination and Remuneration Committee at its meeting held on 22.12.2018 reviewed the Remuneration of Mr. V M Kumaresan, Executive Director - Technical, which was revised in the year 2012.

Mr.Kumaresan as Executive Director – Technical has richly contributed to the impressive growth of the Company. He has richly contributed to the impressive growth of the Company throughout the past two decades. 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 rationalisation in man power. Mr.Kumaresan is also responsible for having master-minded a world class design studio with high caliber professionals for developing latest international designs for the Company's products. Considering the enhanced salaries paid to the Company's Senior Executives, the Committee felt that in order to achieve the set growth plan, it is imperative that Mr.Kumaresan, be adequately remunerated. Accordingly, it is recommended the revised remuneration as explained vide resolution no.5 of the notice convening this postal ballot be approved.

The Board recommends the Special Resolution be set out at item No.6 of the Notice for your consideration and approval.

**MEMORANDUM OF INTEREST**

Mr.Kumaresan may be deemed to be concerned or interested in the resolution and 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 may also be deemed to be concerned or interested in the resolution. Except aforesaid, no other Directors or Key Managerial Personnel or their relatives are 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 revision of remuneration payable to Managing Directors and Executive Directors.

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 <sup>th</sup> 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

**Information about the Appointee:**

**a. Revision of remuneration payable to Mr.V.M.Lakshminarayanan as Chairman & Managing Director:**

1.	Background details	<p>Mr.V.M.Lakshminarayanan, Chairman of the Company was the Managing Director of erstwhile Gangadharam Appliances Limited (GAL) from 1.3.1989. Succeeding his father and Founder of Butterfly Group, Late V.Murugesu Chettiar, he became the Chairman of GAL in the year 2001 and Chairman of the Company in the year 2005. The merger of GAL with the Company became effective from 27<sup>th</sup> September, 2011.</p> <p>At the Extra-ordinary General Meeting of the Company held on 24.12.2011, Mr.Lakshminarayanan was appointed as Managing Director of the Company for a period of three years from 01.12.2011. The tenure of his appointment ended on 30.11.2014. Subsequently, at the Annual General Meeting held on 31.7.2014, he was reappointed as Chairman &amp; Managing Director of the Company for a period of five years from 1.12.2014 to 30.11.2019.</p> <p>Mr.Lakshminarayanan is having vast experience for the past over five decades in the manufacturing and marketing of home appliances products. He is the founder Chairman of Indo Russian Chamber of Commerce – Industries. He has gained vast experience in all the key areas of management. He has effectively led the senior leadership team and is involved in setting vision of the Company, building strategy and mentoring the management.</p>
		<p>Having regard to his background, experience, expertise and contribution to the Company as its Chairman &amp; Managing Director, the Board of Directors considers that his continuance on the Board as Chairman &amp; Managing Director will be highly beneficial to the Company's progress. He along with Mr.V.M.Balasubramaniam and Mr.V.M.Seshadri, Managing Directors shall co-ordinate the activities of the Company and Mr.V.M.Gangadharam and V.M.Kumaresan will assist as Executive Directors. Their combined efforts will greatly enhance the prospects of the Company achieving accelerated growth, both top and bottom lines.</p>

2.	Past remuneration	<p>At the Annual General Meeting of the Company held on 31.08.2012, Members, through a Special Resolution approved the enhancement of Salary of Mr. V.M.Lakshminarayanan to Rs. 36 Lakhs per annum and other perquisites not exceeding 20% of his annual salary.</p> <p>In addition to his salary and perquisites, Mr. Lakshminarayanan together with the other Managing/Whole-time Promoter Directors of the Company viz., Messrs.V.M.Balasubramaniam, V.M.Seshadri, V.M. Gangadharam and V.M.Kumaresan was entitled to receive commission on Net Profits. However, the combined aggregate limit of salary/perquisites/commission paid to all the Managerial Personnel shall not exceed 10% of the Net profits as prescribed under section 197 of the Companies Act 2013.</p>
3.	Recognition or awards	Founder Chairman of Indo-Russian Chamber of Commerce.
4.	Job Profile and his suitability	<p>Subject to the overall control and superintendence of the Board of Directors, Mr.Lakshminarayanan as Chairman &amp; Managing Director along with Mr.V.M.Balasubramaniam and Mr.V.M.Seshadri, Managing Directors of the Company will be taking care of all its day to day operations. In view of his rich experience of about 52 years in the kitchen and electrical appliances industry and his whole-hearted involvement in the Company's progress as its Promoter, Mr.V.M.Lakshminarayanan is ideally suited to hold the position of Chairman &amp; Managing Director.</p> <p>As the Chairman of the Company, he will be chairing all Board and General Meetings of the Company and as the senior-most Managing Director, all major policy matters will be finalized by him for the Board's approval.</p> <p>He will perform the duties in accordance with the Corporate Governance framework and the Articles of Association of the Company, in relation to the day to day management of the Company.</p>
5.	Remuneration proposed	As set out in Resolution No.2 and explanatory statement of the Notice of this Postal Ballot.
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 w.r.t. in the country of his origin)	In the organised sector of kitchen and electrical appliances industry manufacturing similar products there are only a few companies with similar synergies. The proposed remuneration of the appointee is in line with the prevailing remuneration in Industry, size of the Company, profile of the similar position, etc.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr.Lakshminarayanan holds 10,00,965 equity shares (5.60% of the paid up capital) of the Company. Apart from this, Mr.Lakshminarayanan 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.Lakshminarayanan is related to Messrs.V.M.Balasubramaniam, Vice Chairman & Managing Director, V.M.Seshadri, Managing Director and V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical.

**b. Revision of remuneration payable to Mr. V.M.Balasubramaniam, Vice Chairman & Managing Director:**

1.	Background details	Mr.Balasubramaniam is having rich experience in the manufacturing and marketing of home appliances for the past 49 years. He was appointed as the first Managing Director of the Company, at its Extraordinary General Meeting held on 21.12.1992 and he continued to hold this office upto 31.5.2011. At the Annual General Meeting held on 31.7.2014 he was again appointed as a Vice Chairman and Managing Director w.e.f. 01.08.2014. He has richly contributed for the Company's progress during his tenure as Managing Director of the Company as above and played a pivotal role in the Company's progress.
2.	Past remuneration	At the Annual General Meeting held on 31.07.2014 through a Special Resolution approved the remuneration of Rs.2,95,000/- per month, i.e, Rs.35,40,000/- per annum and perquisites restricted to an amount equal to 20% of the annual salary payable to Mr.Balasubramaniam.
3.	Recognition or awards	<p>Turning around the Company, which became sick in the financial year ended on 31.3.2003 and making its networth positive in the financial year ended on 31.12.2008.</p> <p>Through his ingenuity Mr.Balasubramaniam identified the domestic kitchen and domestic electrical appliances like power hobs, rice cookers, bread toasters, electric water kettles, micro-ovens etc., which are fast-moving amongst the new lifestyle consumers in the country. After in-depth searches and thorough enquires, he also developed potential suppliers for good quality products from China.</p>



4.	Job Profile and his suitability	<p>Subject to the overall control and superintendence of the Board of Directors, Mr.Balasubramaniam, Vice Chairman &amp; Managing Director along with Messrs.V.M. Lakshminarayanan, Chairman &amp; Managing Director and V.M.Seshadri, Managing Director and Whole-time Directors of the Company will be taking care of all its day to day operations. In view of his rich experience of about 49 years in the home appliances industry and his whole-hearted involvement in the Company's progress as its Promoter, Mr.V.M.Balasubramaniam is ideally suited to hold the position of Managing Director. He will be responsible for identifying the vendors for supply of domestic kitchen and domestic electrical appliances for the Company's trading business. He will also pay undivided attention to the in-house development of some of these appliances having wide Pan India market.</p> <p>He will undertake the task of monitoring and ensuring smooth functioning of production process, preparing production plans after making detailed surveys, along with researching and ensuring consistent supply of raw materials and essentials to facilitate production of goods.</p>
5.	Remuneration proposed	As set out in Resolution No.3 and explanatory statement of the Notice.
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 w.r.t. in the country of his origin)	In the organised sector of kitchen and electrical appliances industry manufacturing similar products there are only a few companies with similar synergies. The proposed remuneration of the appointee is in line with the prevailing remuneration in Industry, size of the Company, profile of the similar position, etc.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr.Balasubramaniam holds 5,70,130 equity shares (3.19% of the paid up capital) of the Company. Apart from this, Mr.Balasubramaniam 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.Balasubramaniam is related to Messrs.V.M.Lakshminarayanan, Chairman & Managing Director, V.M. Seshadri, Managing Director, V.M. Gangadharam, Executive Director and V.M. Kumaresan, Executive Director-Technical.

**c. Revision of remuneration payable to Mr.V.M.Seshadri, Managing Director:**

1.	Background details	<p>Mr.Seshadri was on the Company's Board of Directors from April 1990 to September 2001. He resigned from the Board on 29.9.2001 as he had to pay undivided attention in the business affairs of erstwhile Gangadharam Appliances Ltd, where he was the Executive Director, which merged with the Company in 2011. He has 'hands on' experience of over four decades in all key areas of the home appliances industry. Mr.Seshadri was appointed Managing Director of the Company at its Annual General Meeting held on 11.8.2011 for a period of three years with retrospective effect from 1<sup>st</sup> June 2011. He has widely traveled and has sound knowledge and business acumen to run the Company and take it to greater heights.</p>
2.	Past remuneration	<p>As Managing Director of the Company members approved salary of Rs.2,00,000/- per month i.e., Rs.24,00,000/- per annum and perquisites restricted to an amount equal to 50% of his annual salary. His remuneration was further revised with effect from 01<sup>st</sup> September, 2012 for the remaining portion of his tenure to Rs.2,90,000/- per month with perquisites not exceeding 20% of his annual salary. In addition to salary, members also approved payment of commission to Mr.Seshadri and the other Managing/Executive Directors of the Company not exceeding the ceiling of 10% of the net profits as per Section 197 of the Companies Act 2013</p>
3.	Recognition or awards	<p>Mr.Seshadri was appointed as Managing Director of the Company with effect from 01.06.2011. After his appointment, the annualized turnover of the Company for financial year 2010-11 which was just 220 crores, increased to Rs.550 crores in the financial year 2017-18. He has set higher sales targets for the coming years and has been successful in establishing Company's branches in the North, East and Central India with a view to expand the Company's business and to make PAN INDIA presence of 'Butterfly' products. He is also involved in expanding the Company's export business.</p>

4.	Job Profile and his suitability	Subject to the overall control and superintendence of the Board of Directors, Mr.Seshadri, Managing Director along with Messrs.V.M.Lakshminarayanan, Chairman & Managing Director and V.M.Balasubramaniam, Vice Chairman & Managing Director and Whole time Directors of the Company will be taking care of all its day to day operations. In view of his rich experience of over 48 years in the home appliances industry, Mr.V.M.Seshadri is ideally suited to hold the position of Managing Director.
5.	Remuneration proposed	As set out in Resolution No.4 of the Notice.
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 w.r.t. in the country of his origin)	In the organised sector of kitchen and electrical appliances industry manufacturing similar products there are only a few companies with similar synergies. The proposed remuneration of the appointee is in line with the prevailing remuneration in Industry, size of the Company, profile of the similar position, etc.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr.Seshadri holds 12,51,673 equity shares (7.00% of the paid up capital) of the Company. Apart from this, Mr.Seshadri 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.Seshadri is related to Messrs.V.M.Lakshminarayanan, Chairman & Managing Director, V.M.Balasubramaniam, Director, Mr.V.M.Gangadharam, Executive Director and Mr.V.M.Kumaresan, Executive Director-Technical.

**d. Revision of remuneration payable to Mr.V.M.Gangadharam as Executive Director:**

1.	Background details	Mr.Gangadharam is having rich experience in the manufacturing and marketing of home appliances for the past 48 years. He has richly contributed for the Company's progress as its Executive Director for the past two decades.
2.	Past remuneration	As Executive Director of the Company for the period 01-10-2010 to 30-09-2013, members have approved salary of Rs.2,00,000/- per month i.e., Rs.24,00,000/- per annum and perquisites restricted to an amount equal to 20% of his annual salary to Mr.Gangadharam. His remuneration was further revised with effect from 01 <sup>st</sup> September 2012 for the remaining portion of his tenure to Rs.2,80,000/- per month with perquisites not exceeding 20% of his annual salary. In addition to salary, members also approved payment of commission to Mr.Gangadharam and the other Managing/Executive Directors of the Company not exceeding the ceiling of 10% of the net profits as prescribed under Section 309(3) read with Schedule XIII of the Companies Act 1956.
3.	Recognition or awards	The sales turnover of the Company had a very impressive growth. Mr.Gangadharam excellently planned the increase in the capacity for manufacture of the products to match with the phenomenal increase in sales turnover. In view of the projected future higher sales turnover, he is putting in ceaseless efforts to gear up and update the manufacturing facilities.
4.	Job Profile and his suitability	Mr.V.M.Gangadharam as the Executive Director of the Company is the functional head for the marketing activities of the Company, under the superintendence of the Managing Directors and in view of his rich experience of about four decades in the home appliances industry, Mr.V.M.Gangadharam is ideally suited to hold the position of Executive Director. He has introduced various new technology in marketing in par with latest development in modern trade, digital platforms, corporate sales and exports. During his tenure, he has exhibited high and rare business skills and has contributed to the growth of the Company.
5.	Remuneration proposed	As set out in Resolution No.5 and explanatory statement of the Notice.
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 w.r.t. in the country of his origin)	In the organised sector of kitchen and electrical appliances industry manufacturing similar products there are only a few companies with similar synergies. The proposed remuneration of the appointee is in line with the prevailing remuneration in Industry, size of the Company, profile of the similar position, etc.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr.Gangadharam holds 4,94,083 equity shares (2.76% of the paid up capital) of the Company. Apart from this, Mr.Gangadharam 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.Gangadharam is related to Messrs. V.M.Lakshminarayanan, Chairman & Managing Director, V.M.Balasubramaniam, Director, Mr.V.M.Seshadri, Managing Director and Mr.V.M.Kumaresan, Executive Director-Technical.

**e. Revision of remuneration payable to Mr.V.M.Kumaresan, Executive Director – Technical:**

1.	Background details	Mr.V.M.Kumaresan possesses sound technical knowledge in deep drawing process, sheet metal forming, making tools and dyes and has dedicated about 37 years in Research and Development and innovation of new products. He was initially appointed as Wholetime 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 his position 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 <sup>st</sup> June, 2007 and reappointed for two further terms of three years each, i.e., from 01 <sup>st</sup> June, 2010 to 31 <sup>st</sup> May, 2013 and 1 <sup>st</sup> June 2013 to 31 <sup>st</sup> May 2016 and for further term of five years from 01 <sup>st</sup> June 2016 to 31 <sup>st</sup> May 2021 respectively at the Annual General Meetings of the Company held on 3.11.2010, 31.8.2012 and 20.08.2015.
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 and explanatory statement of the Notice.
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 organised sector of kitchen and electrical appliances industry manufacturing similar products there are only a few companies with similar synergies. The proposed remuneration of the appointee is in line with the prevailing remuneration in Industry, size of the Company, profile of the similar position, etc
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr.Kumaresan holds 4,87,804 equity shares (2.73% of the paid up capital) of the Company. Apart from this, 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 reasonable profits from financial year 2010-11 onwards up to financial year 2015-16. However, in the year 2016-17, the Company incurred loss due to the effect of demonetization, sluggish market conditions, natural calamities and transitional issues that arose due to implementation of GST. In the year 2017-18, the Company registered good growth in turnover as well as profit. During the current year 2018-19, the trend is expected to continue both in terms of turnover and profit.

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

The Company is taking various measures to expand its market for its products by ensuring quality improvement, innovations through R&D and intensive marketing efforts. Simultaneously, the Company is also taking measures for cost control in its operations so as to remain competitive in the market. Subject to unforeseen circumstances, all measures taken to improve top and bottom line will bear fruit.

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

The Company has chalked out a detailed budget action plan at the beginning of the year 2018-19 and monitors achievement of targeted parameters through periodical review.

**Information required under Secretarial standards-2 issued by the Institute of Companies Secretaries of India:**

Particulars	V.M.Lakshminarayanan	V.M.Balasubramaniam	V.M.Seshadri	V.M.Gangadharam	V.M. Kumaresan
Age	70	68	66	63	55
Qualifications	Matriculation	Matriculation	Matriculation	Matriculation	Matriculation
Experience	52	50	48	45	37
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	Appointed for a term of five years from 1.12.2014 as per Section 196,197, 203 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder read with Schedule V of the Act. Remuneration Proposed: Rs.72,00,000/- per annum or Rs.6,00,000/- per month exclusive of perquisites and other benefits.	Appointed for a term of five years from 01.08.2014 as per Section 196,197, 203 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder read with Schedule V of the Act. Remuneration Proposed: Rs.70,80,000/- per annum or Rs.5,90,000/- per month exclusive of perquisites and other benefits	Appointed for a term of five years from 01.06.2017 as per Section 196,197, 203 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder read with Schedule V of the Act. Remuneration Proposed: Rs.69,60,000/- per annum or Rs.5,80,000/- per month exclusive of perquisites and other benefits	Appointed for a term of five years from 01.10.2016 as per Section 196,197, 203 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder read with Schedule V of the Act. Remuneration Proposed: Rs.67,20,000/- per annum or Rs.5,60,000/- per month exclusive of perquisites and other benefits	Appointed for a term of five years from 01.06.2016 as per Section 196,197, 203 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder read with Schedule V of the Act. Remuneration Proposed: Rs.67,20,000/- per annum or Rs.5,60,000/- per month exclusive of perquisites and other benefits
Remuneration last drawn	Rs.36,00,000/- per annum or Rs.3,00,000/- per month exclusive of perquisites and other benefits.	Rs.35,40,000/- per annum or Rs.2,95,000/-per month exclusive of perquisites and other benefits.	Rs.34,80,000/- per annum or Rs.2,90,000/-per month exclusive of perquisites and other benefits.	Rs.33,60,000/- per annum or Rs.2,80,000/-per month exclusive of perquisites and other benefits.	Rs.33,60,000/- per annum or Rs.2,80,000/-per month exclusive of perquisites and other benefits.
Date of first appointment on the Board	30.04.2003	01.01.1993	01.06.2011	12.09.1994	01.06.2010

Particulars	V.M.Lakshminarayanan	V.M.Balasubramaniam	V.M.Seshadri	V.M.Gangadharam	V.M. Kumaresan
Shareholding in the company	1000965 – 5.60%	5,70,130 – 3.19%	1251673–7.00%	494083 – 2.76%	487804-2.73%
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr.Lakshminarayanan is related to Messrs.V.M.Balasubramaniam, Vice Chairman & Managing Director, V.M.Seshadri, Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical.	Mr. Balasubramaniam is related to Messrs.V.M., Lakshminarayanan Vice Chairman & Managing Director, V.M.Seshadri, Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical.	Mr.Seshadri is related to Messrs.V.M., Lakshminarayanan Vice Chairman & Managing Director, V.M.Balasubramaniam, Vice Chairman & Managing Director, V.M.Gangadharam, Executive Director, V.M.Kumaresan, Executive Director-Technical.	Mr.Gangadharam is related to Messrs.V.M., Lakshminarayanan, Chairman & Managing Director, V.M.Balasubramaniam, Vice Chairman & Managing Director, V.M.Seshadri, Managing Director, and V.M.Kumaresan Executive Director-Technical.	Mr.Kumaresanis related to Messrs.V.M., Lakshminarayanan, Chairman & Managing Director, V.M.Balasubramaniam, Vice Chairman & Managing Director, V.M.Seshadri, Managing Director and V.M.Gangadharam, Executive Director.
The number of Meetings of the Board attended during the year	7 - in the financial year ended 31.3.2018	6 - in the financial year ended 31.3.2018	7 - in the financial year ended 31.3.2018	6 - in the financial year ended 31.3.2018	7 - in the financial year ended 31.3.2018
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Nil	1	Nil	2	2

By Order of the Board  
K.S.Ramakrishnan  
Company Secretary &  
General Manager - Legal

Navalur – 603103  
Date - 22.12.2018



## INSTRUCTIONS FOR POSTAL BALLOT

1. A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form (no other form or photocopy thereof is permitted) sent by the Company along with the Notice and send it to the Scrutinizer, Mr. Balu Sridhar, Practicing Company Secretary in the enclosed self-addressed envelope. However, Postal Ballot Forms, if deposited in person or if sent by courier or registered/speed post at the expenses of the registered shareholder will also be accepted.
2. The Postal Ballot Form shall be completed and signed by the shareholder (as per the specimen signature registered with the Company/Depository Participants). In case of joint holders, this form should be completed and signed by the first named shareholder and in his absence by the next named joint holder.
3. Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours on 6.2.2019. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such member has not been received.
4. There will be only one Postal Ballot for every Folio/Client ID irrespective of the number of jointholder(s).
5. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/ Authority Letter.
6. A member may request for a duplicate Postal Ballot Form, if so required, However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt, i.e., close of working hours on Wednesday, 6th February 2019 (5.00 p.m.).
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholder as on cut -off date. i.e., Friday, December 21, 2018. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
8. Shareholders are requested not to send any other paper along with Postal Ballot Form. Any extraneous papers found would be destroyed by the Scrutinizer.
9. A member need not use all the votes nor does he/she need to cast all the votes in the same manner.
10. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
11. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
12. The Results of the Postal Ballot will be posted on the website of the Company [www.butterflyindia.com](http://www.butterflyindia.com) and also in the newspaper(s) for the information of the members.
13. Members may address their queries/communications at [cs@butterflyindia.com](mailto:cs@butterflyindia.com).
14. The Company is pleased to offer e-voting facility as an alternate, for all the members of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

## INSTRUCTIONS FOR E-VOTING

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](http://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 '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 January 8, 2019 (9.00 a.m.) to February 6, 2019 ( 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 [evoting@akjainassociates.com](mailto:evoting@akjainassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Please note the following:

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 e-voting as well as voting through postal ballot.

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.

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.