

**PUBLIC ANNOUNCEMENT UNDER REGULATIONS 3(1) AND 4 READ WITH REGULATIONS 13, 14 AND 15(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED**

**FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

**Open offer for acquisition of up to 46,48,684 fully paid-up equity shares of face value of INR 10 (Indian Rupees Ten only) each (“Equity Share”) representing 26.00% of the Voting Share Capital (as defined below) of Butterfly Gandhimathi Appliances Limited (“Target Company”) from the Public Shareholders (as defined below) by Crompton Greaves Consumer Electricals Limited (“Acquirer”) (“Offer” / “Open Offer”).**

This public announcement (“**Public Announcement**” or “**PA**”) is being issued by Kotak Mahindra Capital Company Limited, the manager to the Open Offer (“**Manager**”), for and on behalf of the Acquirer to the Public Shareholders pursuant to and in compliance with Regulations 3(1) and 4 and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”).

For the purposes of this Public Announcement, the following terms would have the meaning assigned to them below:

- (a) “**Public Shareholders**” shall mean all the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the Acquirer, the existing members of the promoter and promoter group of the Target Company, and the parties to the SPA (as defined below) including persons deemed to be acting in concert with such parties to the SPA;
- (b) “**Voting Share Capital**” means the total voting equity share capital of the Target Company on a fully diluted basis as of the tenth (10th) Working Day from the closure of the tendering period of the Open Offer;
- (c) “**SEBI**” means the Securities and Exchange Board of India; and
- (d) “**Working Day**” means any working day of SEBI.

1. **Offer Details**

- 1.1. **Offer Size:** The Acquirer hereby makes this Open Offer to the Public Shareholders to acquire up to 46,48,684 Equity Shares (“**Offer Shares**”), constituting 26.00% of the Voting Share Capital, at a price of INR 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Offer Share aggregating to a total consideration of up to INR 666,57,47,987.60 (Indian Rupees Six Hundred and Sixty Six Crore Fifty Seven Lakh Forty Seven Thousand Nine Hundred and Eighty Seven and Sixty Paise only) (assuming full acceptance) (“**Offer Size**”), subject to the terms

and conditions mentioned in this Public Announcement, and to be set out in the detailed public statement (“DPS”) and the letter of offer (“LOF”), that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

- 1.2. **Offer Price/Consideration:** The Equity Shares are frequently traded in terms of SEBI (SAST) Regulations. The Open Offer is being made at a price of INR 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Offer Share (“Offer Price”), which has been determined in accordance with Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations read with Regulation 8(7) of the SEBI (SAST) Regulations. Assuming full acceptance of the Offer, the total consideration payable by the Acquirer will be INR 666,57,47,987.60 (Indian Rupees Six Hundred and Sixty Six Crore Fifty Seven Lakh Forty Seven Thousand Nine Hundred and Eighty Seven and Sixty Paise only).
- 1.3. **Mode of Payment:** The Offer Price will be paid in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 1.4. **Type of Offer:** This Open Offer is a mandatory offer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the substantial acquisition of shares, voting rights, and control over the Target Company by the Acquirer. This Open Offer is not subject to any minimum level of acceptance. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

## 2. **Transactions which have triggered the Open Offer obligations (“Underlying Transaction”)**

- 2.1. The Acquirer has entered into a share purchase agreement dated February 22, 2022 with Mr V.M. Lakshminarayanan (“Seller 1”), Mr V.M. Balasubramaniam (“Seller 2”), Mr V.M. Seshadri (“Seller 3”), Mr V.M. Gangadharam (“Seller 4”), Mr V.M. Kumaresan (“Seller 5”), V.M. Chettiar & Sons India LLP (“Seller 6”), and LLM Appliances Private Limited (“Seller 7” and together with Sellers 1 to 6 to be referred to as the “Sellers”), and the Target Company (“SPA”) pursuant to which the Acquirer has agreed to purchase up to 98,33,754 Equity Shares, representing up to 55.00% of the Voting Share Capital (“Sale Shares”), at a price of INR 1,403.00 (Indian Rupees One Thousand Four Hundred and Three only) per Equity Share from the Sellers, subject to the terms and conditions set out in the SPA, including certain price adjustments, and fulfilment of customary closing conditions. Out of the Sale Shares, Seller 7 has the flexibility to sell up to 1,78,796 Equity Shares, representing up to 1.00% of the Voting Share Capital (“Liquidity Shares”), on-market, between the execution date of the SPA and the date immediately preceding the Trade Execution Date (*as defined in the SPA*). In case, Seller 7 does not sell or partly sells the Liquidity Shares, within the prescribed time, then Seller 7 shall be required to sell the balance Liquidity Shares to the Acquirer at the same price as the Sale Shares. In case Seller 7 sells all the Liquidity Shares, within the prescribed time, then the Acquirer would acquire an aggregate of 96,54,958 Equity Shares representing 54.00% of the Voting Share Capital from the Sellers.
- 2.2. Further, in terms of the SPA, the Acquirer will also acquire: (a) certain prior trademarks, and (b) certain trademarks in allied and cognate classes, *vis-à-vis* the trademarks held by the Target Company from: (a) LLM Appliances Private Limited (i.e., Seller 7), for a consideration of INR 17,00,00,000 (Indian Rupees Seventeen Crore only); (b) Sivagurunathan Industries (through its partners Mr V.M.G. Viswanathan, Mr V.M.L. Senthilnathan) for a consideration of INR 4,64,00,000 (Indian Rupees Four Crore and Sixty Four Lakh only), and (c) Swaminathan Enterprises Private Limited, for a consideration of INR 8,74,00,000 (Indian Rupees Eight Crore and Seventy Four Lakh only); aggregating to a total consideration of INR 30,38,00,000 (Indian Rupees Thirty Crore and Thirty Eight Lakh only) (“Trademark Acquisition”). Seller 7, partners of Sivagurunathan Industries, and Swaminathan

Enterprises Private Limited are part of the promoter/ promoter group of the Target Company or are related to them. Since the Trademark Acquisition is a part of the SPA and is relevant to protect the trademarks of the Target Company, in terms of Regulation 8(7) of the SEBI (SAST) Regulations, the Acquirer has added INR 30.90 (Indian Rupees Thirty and Ninety Paise only) per Equity Share to the price determined under Regulation 8(2) of the SEBI (SAST) Regulations for the purpose of arriving at the Offer Price of INR 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Offer Share.

- 2.3. Since the Acquirer has entered into an agreement to acquire voting rights in excess of 25.00% of the equity share capital and control over the Target Company, this Open Offer is being made under Regulations 3(1) and 4 of the SEBI (SAST) Regulations. Pursuant to the consummation of the Underlying Transaction (*contemplated under the SPA*) and subject to compliance with the SEBI (SAST) Regulations, the Acquirer will acquire sole control over the Target Company and shall become a promoter of the Target Company including in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI (LODR) Regulations**”). Further, the Sellers along with other existing members of the promoter and promoter group of the Target Company (“**Other Promoters**”) intend to be reclassified as public shareholders, subject to receipt of necessary approvals required in terms of the SEBI (LODR) Regulations and the conditions prescribed therein. The Acquirer does not have an intention to delist the Target Company pursuant to this Open Offer.
- 2.4. Simultaneously with the execution of the SPA, Sellers 1 to 5 along with certain Other Promoters, namely, Mrs V.M.B. Unnamalai, Mrs V.M.K. Mangalam, Mrs V.M.G. Sivakami, Mrs V.M.L. Shenbaga Lakshmi, and Mr V.M.L. Karthikeyan (collectively “**NDU Parties**”) have executed a non-disposal undertaking in relation to 13,91,035 Equity Shares (*other than the Sale Shares*), representing 7.78% of the Voting Share Capital, held by them in favour of the Acquirer (“**NDU**”). Pursuant to the NDU, the NDU Parties have agreed not to dispose of such Equity Shares in the Target Company from its execution until a period of 18 months from the Closing Date (*as defined in the SPA*).
- 2.5. A tabular summary of the Underlying Transaction is set out below:

Details of Underlying Transactions						
Type of transaction (direct/ indirect)	Mode of transaction (agreement/ allotment/ market purchase)	Shares / voting rights acquired / proposed to be acquired		Total consideration for shares / voting rights acquired (INR)	Mode of payment (cash/ securities)	Regulation which has triggered
		Number	% vis à vis total equity / voting capital <sup>(1)</sup>			
Direct	<u>Share Purchase Agreement</u> : The Acquirer has entered into the SPA with the Sellers and the Target Company pursuant to	Up to 98,33,754 <sup>(2)</sup>	Up to 55.00% <sup>(2)</sup>	1379,67,56,862	Cash	Regulations 3(1) and 4 of the SEBI

which the Acquirer has agreed to acquire up to 98,33,754 Equity Shares of the Target Company from the Sellers, subject to the terms and conditions set out in the SPA, including certain price adjustments, and fulfilment of customary closing conditions.					(SAST) Regulations
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**Notes:**

- (1) *Calculated as a percentage of the Voting Share Capital.*
- (2) *Seller 7 has the flexibility to sell the Liquidity Shares. For further details, please refer to paragraph 2.1 of this PA. Additionally, in terms of the SPA, the Underlying Transaction may be consummated either on-market or by way of off-market transfers. In case, the Underlying Transaction is consummated on the floor of the stock-exchange, and any or all of the Sellers continue to hold any Sale Shares after undertaking the transactions envisaged under the SPA ("**Slippage Shares**"), then such Sellers are required to sell the Slippage Shares within a specified time. However, if the Sellers are unable to sell the Slippage Shares, then in terms of the SPA, subject to applicable law, the Acquirer shall purchase such number of Slippage Shares from the Sellers which are equivalent to the difference between the Offer Shares minus the Equity Shares actually tendered and accepted in the Open Offer ("**Open Offer Shortfall**"), by way of an off-market sale, at the price of up to INR 1,403.00 (Indian Rupees One Thousand Four Hundred and Three only) per Slippage Share. It is clarified that the Slippage Shares will be acquired post completion of the Open Offer.*
- (3) *The Acquirer will acquire sole control over the Target Company upon pursuant to the consummation of the Underlying Transaction and subject to compliance with the SEBI (SAST) Regulations.*

3. **Acquirer(s) / PAC** <sup>(1)</sup>

Details	Acquirer	Total
Name of Acquirer(s)/ PAC(s)	Crompton Greaves Consumer Electricals Limited	-
Address	Tower 3, 1 <sup>st</sup> Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai- 400070	-
Name(s) of persons in control/ promoters of Acquirer(s)/ PAC(s) where Acquirer(s)/ PAC(s) are companies	Please refer to note (2) below for the names of the promoter and promoter group	-
Name of the Group, if any, to which the Acquirers/ PACs belongs to	NA	-
Pre-transaction shareholding: <ul style="list-style-type: none"> <li>• Number</li> <li>• % of total share capital</li> </ul>	Nil	Nil

Details	Acquirer	Total
Proposed shareholding after the acquisition of shares which triggered the Open Offer (including Offer Shares assuming full acceptance)	1,44,82,438 Equity Shares (81.00% of the Voting Share Capital) <sup>(3)</sup>	
Any other interest in the Target Company	None	

**Notes:**

- (1) *No person is acting in concert with the Acquirer for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations (“Deemed PACs”), however, such Deemed PACs are not acting in concert with the Acquirer for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.*
- (2) *The names of the promoter and promoter group of the Acquirer as disclosed to the Stock Exchanges under Regulation 31 of the SEBI (LODR) Regulations, as of December 31, 2021 are Amalfiaco Limited (Promoter), Nirsinia Limited (Promoter Group), MacRitchie Investments Pte. Ltd (Promoter Group), AI Cool Midco 1 Limited (Promoter Group), AI Cool Midco 2 Limited (Promoter Group) and Seletar Investments Pte Limited (Promoter Group). The inter-se agreement dated April 23, 2015 between MacRitchie Investments Pte. Ltd., Amalfiaco Limited and Nirsinia Limited has since been terminated in accordance with its terms. MacRitchie Investments Pte. Ltd does not have control rights and will not be exercising control over the Acquirer. The Acquirer had filed an application for re-classification of promoters under Regulation 31A of the SEBI (LODR) Regulations on October 29, 2021 for removal of 1. Amalfiaco Limited, 2. Nirsinia Limited, 3. AI Cool Midco 1 Limited and 4. AI Cool Midco 2 Limited, from the “promoter/promoter group” category, and received approval for their reclassification on January 28, 2022.*
- (3) *Computed assuming full acceptance in the Open Offer and acquisition of all the Sale Shares, i.e. 98,33,754 Equity Shares, representing 55.00% of the Voting Share Capital from the Sellers. However, it is clarified that Seller 7 has the flexibility to sell the Liquidity Shares. For further details, please refer to paragraph 2.1 of this PA. The Acquirer’s total proposed shareholding after acquisition of Offer Shares (assuming full acceptance) and the Sale Shares, will depend on the number of Liquidity Shares sold to the Acquirer. In case Seller 7 sells all the Liquidity Shares, within the prescribed time, the Acquirer would acquire an aggregate of 96,54,958 Equity Shares representing 54.00% of the Voting Share Capital. Accordingly, the total proposed shareholding of the Acquirer after acquisition of Offer Shares (assuming full acceptance) and the Sale Shares (reduced to the extent of the Liquidity Shares) will be 1,43,03,642 Equity Shares representing 80.00% of the Voting Share Capital.*

*Additionally, in terms of the SPA, the Underlying Transaction may be consummated either on-market or by way of off-market transfers. In case, the Underlying Transaction is consummated on the floor of the stock-exchange, and any or all of the Sellers continue to hold any Sale Shares after undertaking the transactions envisaged under the SPA (“Slippage Shares”), then such Sellers are required to sell the Slippage Shares within a specified time. However, if the Sellers are unable to sell the Slippage Shares, then in terms of the SPA, subject to applicable law, the Acquirer shall purchase such number of Slippage Shares from the Sellers which are equivalent to the Open Offer Shortfall, by way of an off-market sale, at the price of up to INR 1,403.00 (Indian Rupees One Thousand Four Hundred and Three only) per Slippage Share. It is clarified that the Slippage Shares will be acquired post completion of the Open Offer.*

4. **Details of the selling shareholder(s)**

4.1. The details of the Sellers are as follows:

Name	Part of promoter group (Yes/ No)	Details of Equity Shares/ voting rights held by the selling shareholders			
		Pre Transaction		Post Transaction	
		Number of Equity Shares	% vis-à-vis share capital <sup>(1)</sup>	Number of Equity Shares	% vis-à-vis share capital <sup>(1)</sup>
V.M. Lakshminarayanan	Yes	6,98,530	3.91	6,754	0.04
V.M. Balasubramaniam	Yes	7,83,529	4.38	91,753	0.51
V.M. Seshadri	Yes	9,78,344	5.47	2,86,568	1.60
V.M. Gangadharam	Yes	7,75,229	4.34	83,453	0.47
V.M. Kumaresan	Yes	7,82,422	4.38	90,646	0.51
V.M. Chettiar & Sons India LLP	Yes	35,07,100	19.62	0	0.00
LLM Appliances Private Limited	Yes	30,46,565	17.04	1,78,791	1.00
<b>Total</b>		<b>1,05,71,719</b>	<b>59.13</b>	<b>7,37,965</b>	<b>4.13</b>

**Notes:**

(1) Calculated as a percentage of the Voting Share Capital.

4.2. Pursuant to the consummation of the Underlying Transaction (*contemplated under the SPA*) and subject to compliance with the SEBI (SAST) Regulations, the Acquirer will acquire sole control over the Target Company and the Acquirer shall become a promoter of the Target Company in accordance with the provisions of the SEBI (LODR) Regulations. Further, the Sellers along with the Other Promoters intend to be reclassified as public, subject to receipt of necessary approvals required in terms of the SEBI (LODR) Regulations and conditions prescribed therein.

5. **Target Company**

<b>Name:</b>	Butterfly Gandhimathi Appliances Limited
<b>CIN</b>	L28931TN1986PLC012728
<b>Registered Office:</b>	143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam, Chengalpattu, Tamil Nadu, 603103
<b>Exchanges where listed:</b>	The Equity Shares are listed on BSE Limited (Scrip code: 517421) and National Stock Exchange of India Limited (Symbol: BUTTERFLY). The ISIN of Equity Shares is INE295F01017.

## 6. Other Details

- 6.1. The Acquirer has entered into two separate agreements to acquire 9.12 acres of land from LLM Appliances Private Limited (i.e., Seller 7) for a consideration of INR 63,00,00,000 (Indian Rupees Sixty Three Crore only) and 3.37 acres of land from Mr V. M. Balasubramaniam (i.e., Seller 2) for a consideration of INR 22,00,00,000 (Indian Rupees Twenty Two Crore only), located at 143, Pudupakkam Village Vandalur – Kelambakkam Road, Chengalpattu, 603103 (“**Land Parcels**”), respectively. The consideration for each of the Land Parcels has been determined taking into account the valuation report dated February 18, 2022 issued by K. V. Venugopal, Registered Valuer. The said Land Parcels are located adjacent to the registered office of the Target Company.
- 6.2. Further details of the Offer shall be published in the DPS which shall be published on or before March 2, 2022 i.e., within 5 (five) working days from the Public Announcement as required under the SEBI (SAST) Regulations. The DPS shall contain details of the Offer including information on the Offer Price, the Acquirer, the Target Company, the background to the Offer (including details of conditions precedent to the Offer and completion of the transactions contemplated by the transaction agreements), the statutory approvals required for the Offer, if any, details of financial arrangements and other terms of the Offer. The DPS will be published, as required by Regulation 14(3) of the SEBI (SAST) Regulations, in all editions of any one English national daily newspaper with wide circulation, any one Hindi national daily newspaper with wide circulation, any one regional language daily newspaper with wide circulation at the place where the registered office of the Target Company is situated, and any one regional language daily newspaper at the place of the stock exchange where the maximum volume of trading in the Equity Shares was recorded during the 60 (sixty) trading days preceding the date of this Public Announcement i.e. Mumbai.
- 6.3. The completion of the Offer and the Underlying Transaction are subject to the terms and conditions set out in the SPA, which among others include fulfilment of conditions precedent as well as receipt of statutory approvals, as may be applicable.
- 6.4. The Acquirer and its directors accept full responsibility for the information contained in the Public Announcement. The Acquirer undertakes that it is aware of and will comply with the obligations under the SEBI (SAST) Regulations. The Acquirer has adequate financial resources to meet its obligations under the Offer and has made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of regulation 25(1) of the SEBI (SAST) Regulations.
- 6.5. The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 6.6. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 6.7. This Offer is subject to the terms and conditions mentioned in this Public Announcement, and to be set out in the DPS and LOF that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

- 6.8. All the information pertaining to the Target Company contained in this Public Announcement has been obtained from publicly available sources or provided by the Target Company. All the information pertaining to the Sellers contained in this Public Announcement has been obtained from the Sellers.
- 6.9. In this Public Announcement, all references to “INR” are references to Indian Rupees.
- 6.10. In this Public Announcement, any discrepancy in any amounts as a result of multiplication or totaling is due to rounding off.

**Issued by the Manager to the Offer**



**Kotak Mahindra Capital Company Limited**

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**SEBI Registration Number:** INM000008704

**Validity Period:** Permanent Registration

**For and on behalf of the Acquirer**

**Crompton Greaves Consumer Electricals Limited**

**Place:** Mumbai

**Date:** February 22, 2022