

# BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

Registered Office: 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam, Chengalpattu, Tamil Nadu - 603 103. Tel No.: 044-47415590/92/93, Fax No.: 044-67415526 Website: www.butterflyindia.com

**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") AT A PRICE OF INR 1,433.90 (INDIAN RUPEES ONE THOUSAND FOUR HUNDRED AND THIRTY THREE AND NINETY PAISE ONLY) PER EQUITY SHARE FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF THE TARGET COMPANY BY CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED ("ACQUIRER") PURSUANT TO AND IN COMPLIANCE WITH THE SEBI (SAST) REGULATIONS ("OFFER" / "OPEN OFFER").**

This offer opening public announcement and corrigendum to the DPS (as defined below) ("Offer Opening Public Announcement and Corrigendum") is being issued by Kotak Mahindra Capital Company Limited, the manager to the Open Offer ("Manager to the Offer" or "Manager"), for and on behalf of the Acquirer, pursuant to and in accordance with Regulation 18(7) of the SEBI (SAST) Regulations.

This Offer Opening Public Announcement and Corrigendum should be read in continuation of and in conjunction with: (a) the Public Announcement dated February 22, 2022 ("PA"); (b) the Detailed Public Statement that was published in all editions of 'Financial Express' (English), 'Jansatta' (Hindi), the Mumbai edition of 'Navshakti' (Marathi) and the Chennai edition of 'Makkal Kural' (Tamil) on February 24, 2022 ("DPS"); and (c) the Letter of Offer dated May 12, 2022 along with Form of Acceptance and Share Transfer Form ("LOF"). This Offer Opening Public Announcement and Corrigendum is being published in all the newspapers in which the DPS was published.

For the purposes of this Offer Opening Public Announcement and Corrigendum, the following terms would have the meaning assigned to them herein below:

- "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 including persons deemed to be acting in concert with such parties to the SPA.
- "Voting Share Capital"** means the total voting equity share capital of the Target Company on a fully diluted basis as of the 10<sup>th</sup> (tenth) Working Day from the closure of the tendering period of the Open Offer.
- "Identified Date"** means May 6, 2022, being the date falling on the 10<sup>th</sup> (tenth) Working Day prior to the commencement of the Tendering Period.
- "Offer Period"** has the same meaning as ascribed to it in the SEBI (SAST) Regulations.
- "Tendering Period"** means the period commencing from Monday, May 23, 2022 and closing on Friday, June 3, 2022, both days inclusive.
- "Working Day"** means the working day of SEBI in Mumbai.

Capitalised terms used but not defined in this Offer Opening Public Announcement and Corrigendum shall have the meaning assigned to such terms in the LOF.

- Offer Price:** The Offer Price is INR 1,433.90/- (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Equity Share payable in cash. There has been no revision in the Offer Price. For further details relating to Offer Price, please refer to paragraph 6.1 beginning on page 31 of the LOF.
- Recommendations of the Committee of Independent Directors of the Target Company:** The Committee of Independent Directors of the Target Company ("IDC") published its recommendation on the Open Offer on May 17, 2022 in the same newspapers where the DPS was published. The relevant extract of the IDC recommendation is given below:

Members of the Committee of Independent Directors	Mr. T.R. Srinivasan - Chairperson Mr. M. Padmanabhan - Member Mr. A. Balasubramanian - Member Mr. G. S. Samuel - Member Mrs. Maheshwari Mohan - Member
Recommendation on the Open Offer, as to whether the Open Offer is fair and reasonable	The IDC has perused the LoF dated May 12, 2022 and other documents as released and published by the Acquirer. M/s. R. Bupathy & Co. (FRN:000525S) Chartered Accountants, have provided an external advice dated March 25, 2022 that the open offer price as disclosed in the DLoF dated March 04, 2022, i.e. Rs.1433.90/- per Equity Share (which is the price as per LoF dated May 12, 2022 also) is fair in accordance with SEBI (SAST) Regulations 2011. Based, inter alia, on the above the IDC is of the opinion that the open offer price of Rs 1433.90/- per Equity Share, offered to the public shareholders of the Target Company is in compliance with the above SEBI (SAST) Regulations, 2011 and is fair and reasonable. The public shareholders of the Target Company are however advised to independently evaluate the open offer and take an informed decision with regard to tendering the Equity Shares held by them in the Open Offer or to stay invested.
Summary of reasons for the recommendation	The IDC has based its recommendations on the following factors: a) The price of Rs. 1403/- per Equity Share, i.e. the negotiated price as per the share purchase agreement dated February 22, 2022 is the highest of all parameters laid down in Regulation 8(2) of the SEBI (SAST) Regulations, 2011. b) Further, in accordance with Regulation 8(7) of the SEBI (SAST) Regulations, 2011, the Acquirer has added Rs. 30.90/- per Equity Share to the aforesaid negotiated price on account of acquisition of certain trademarks from the outgoing promoters of the Target Company. The aforesaid addition of Rs.30.90/- has been derived on the basis of total considerations for trademark acquisition divided by the total number of Equity Shares being acquired from the outgoing Promoters. c) The offer price of Rs. 1433.90/- is higher than the highest price of the Target Company's equity shares quoted until the date of the PA i.e., February 22, 2022 in the stock exchanges (NSE - Rs.1400.00/- and BSE - Rs. 1398.60/-) d) The payment for the shares being acquired is proposed to be made in cash. e) There is no competing offer made till the date of this recommendation. This statement of recommendation will be available on website of the Company at www.butterflyindia.com
Disclosure of the voting pattern	The recommendations were unanimously approved by the members of the IDC.
Details of Independent Advisors, if any	M/s. R. Bupathy & Co., Chartered Accountants (FRN: 000525S)

### 3. Other details of the Open Offer

- The Open Offer is a mandatory offer being made by the Acquirer in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations. The Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. Further, there has been no competing offer to this Open Offer. The Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- The LOF dated May 12, 2022 has been dispatched (through e-mail or physical mode) by May 17, 2022 to the Public Shareholders as on the Identified Date (i.e., May 6, 2022) in accordance with Regulation 18(2) of the SEBI (SAST) Regulations and as described in paragraph 8.1.13 of the LOF. It is clarified that all the Public Shareholders (even if they acquire Equity Shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer.
- Please note that a copy of the LOF (which *inter alia* includes detailed instructions in relation to the procedure for acceptance and settlement of the Open Offer in Paragraph 9 - "Procedure for Acceptance and Settlement of the Offer", as well as the Form of Acceptance) is also available on the websites of SEBI, the Manager to the Offer, the Registrar to the Offer and the Stock Exchanges at [www.sebi.gov.in](http://www.sebi.gov.in), [www.investmentbank.kotak.com](http://www.investmentbank.kotak.com), [www.kfintech.com](http://www.kfintech.com), [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. Further, a Public Shareholder who wishes to obtain a copy of the LOF and the Form of Acceptance may send a request to the Registrar to the Offer at the email id mentioned on the cover page of the LOF stating the name, address, number of Equity Shares held, client ID number, DP name/ ID, beneficiary account number, and upon receipt of such request, a copy of the LOF shall be provided to such Public Shareholder.
- In case of non-receipt/ non-availability of the Form of Acceptance, a Public Shareholder may participate in the Open Offer: (i) by using the Form of Acceptance obtained in the manner described above; or (ii) by providing their application in writing on a plain paper along with the following:
  - In case of Public Shareholders holding Equity Shares in dematerialized form, the plain paper application must be signed by all shareholder(s), stating name, address, number of Equity Shares held, client ID number, DP name, DP ID number, number of Equity Shares being tendered, and other relevant documents as mentioned in the LOF. Public Shareholders who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender in accordance with the procedure as mentioned in paragraph 9.5 of the LOF. Such Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
  - In case of Eligible Shareholders holding Equity Shares in physical form, the plain paper application must be signed by all shareholder(s) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares being tendered and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Public Shareholders' PAN card(s), executed share transfer form and other necessary documents. The share transfer form (SH-4) can be downloaded from the Registrar's website i.e., [www.kfintech.com](http://www.kfintech.com). Public Shareholders/ Selling Broker must ensure that the Form of Acceptance, along with TRS and the requisite documents (as mentioned in paragraph 9.6 of the LOF), reach the Registrar to the Offer no later than the Offer Closing Date.

- To the best of the knowledge of the Acquirer, as on the date of this Offer Opening Public Announcement and Corrigendum, there are no statutory approvals required to acquire the Equity Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transaction. However, if any statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained and the Acquirer shall make necessary applications for such approvals. Please also refer to paragraph 8.4 beginning on page 37 of the LOF for further details.
- In accordance with Regulation 16(1) of the SEBI (SAST) Regulations, the Draft Letter of Offer dated March 4, 2022 ("DLOF") was submitted to SEBI on March 4, 2022. SEBI issued its observations on the DLOF vide its communication dated May 10, 2022 bearing reference number SEBI/HO/CFD/DCR-1/OW/2022/20053/1. SEBI's observations have been incorporated in the LOF.

### 6. Material Updates (from the date of the DPS)

- There have been no material changes in relation to the Open Offer since the date of the DPS, save as otherwise disclosed in the LOF, and in this Offer Opening Public Announcement and Corrigendum:

#### 6.1. Completion of the Underlying Transaction:

- On March 24, 2022, the Acquirer deposited the entire consideration payable under the Open Offer (assuming full acceptance) in cash in the Escrow Account in accordance with the SEBI (SAST) Regulations. For further details, please refer to paragraph 6.2.3 of the LOF. On March 25, 2022, the Acquirer acquired the Sale Shares (which includes Liquidity Shares 1) through the stock exchange settlement process by way of block deals on NSE and such Sale Shares were placed in a share escrow account ("Share Escrow") in accordance with Regulation 22(2A) of the SEBI (SAST) Regulations. The Acquirer had also made a disclosure dated March 25, 2022 under Regulations 18(6) and 29(1) of the SEBI (SAST) Regulations, respectively. On March 30, 2022 (i.e., after the expiry of 21 Working Days from the date of the DPS), such Sale Shares were transferred to the Acquirer's demat account from the Share Escrow, in terms of Regulation 22(2) of the SEBI (SAST) Regulations. The Acquirer can exercise voting rights on the Sale Shares.

- In terms of the SPA, the Acquirer has acquired: (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 for INR 17,00,00,000 (Indian Rupees Seventeen Crore only); (b) Sivagurunathan Industries (through its partners Mr V.M.L. Karthikeyan, 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**"). The consideration for the Trademark Acquisition has been agreed on the basis of valuation reports dated February 22, 2022 issued by Price Waterhouse & Co LLP. 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. Please refer to paragraph 3.1.5 on page 12 of the LOF for further details.

- Further, pursuant to the consummation of the Underlying Transaction and subject to compliance with the SEBI (SAST) Regulations, on March 30, 2022 the Acquirer has acquired sole control over the Target Company and has become a promoter of the Target Company in accordance with the provisions of the SEBI (LODR) Regulations. The Sellers and Other Promoters shall be reclassified as public shareholders, pursuant to receipt of necessary approvals required in terms of the SEBI (LODR) Regulations and the conditions prescribed therein.

#### 6.2. Appointment of directors on the board of the Target Company

Mr Shantanu Khosla, Mr Mathew Job, and Mr Rangarajan Sriram represent the Acquirer on the Board of the Target Company.

#### 6.3. Other key updates and changes updated in the LOF:

- Included updates relating to consummation of Underlying Transaction. Please refer to paragraph 3 beginning on page 12 of the LOF for further details.
- Included a clarification that the Underlying Transaction and the Offer was approved by the Board of Directors of the Acquirer and that such an acquisition was within the investment limits of the Acquirer under Section 186 of the Companies Act, 2013 approved by the shareholders of the Acquirer. Please refer to paragraph 3.1.3 on page 12 of the LOF for further details.
- Included an update regarding members of the promoter group of the Acquirer. Please refer to paragraph 4.1.6 on page 19 of the LOF for further details.
- Included update regarding shareholding pattern and details of issued and paid up capital of the Acquirer. Please refer to paragraphs 4.1.4 and 4.1.5 on page 19 of the LOF for further details.
- Included an update regarding directors of the Acquirer. Please refer to paragraph 4.1.10 beginning on page 20 of the LOF for further details.
- Included a clarification that the Acquirer does not have any parent or associate company. Further, details of subsidiaries of the Acquirer have also been included. Please refer to paragraph 4.1.12 on page 23 of the LOF for further details.
- Included a clarification regarding the Acquirer, Target Company and its promoters are not related to Crompton Greaves Limited and/ or CG Power and Industrial Solutions Limited. Please refer to paragraphs 4.1.12 and 5.15 on pages 23 and 27 of the LOF, respectively, for further details.
- Included confirmations that there are no regulatory actions or administrative warnings, directions subsisting or proceedings pending against the Acquirer, its promoter group and any other entities related to the Acquirer and the Target Company and its promoters which have been issued/ initiated by: (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/ or (b) any other regulator. Please refer to paragraphs 4.1.13 and 5.16 on pages 23 and 27, respectively, of the LOF for further details.
- Included confirmations that no penalties have been levied by SEBI/ RBI against the Acquirer and/ or its promoter group and the Target Company and/ or its promoters. Please refer to paragraphs 4.1.14 and 5.17 on pages 23 and 28 of the LOF, respectively, for further details.
- Included a confirmation that the Acquirer does not have any relationship with the Sellers, promoters of the Target Company and the Target Company other than as disclosed in the DPS and the LOF. Please refer to paragraph 4.1.15 on page 23 of the LOF for further details.
- Included a confirmation that the Acquirer is in compliance with the listing requirements/ SEBI (LODR) Regulations and no penal actions have been taken against it by the Stock Exchanges. Please refer to paragraph 4.1.19 on page 26 of the LOF for further details.
- Included a confirmation that the Target Company has not issued any depository receipts of the shares in foreign countries. Please refer to paragraph 5.7 on page 26 of the LOF for further details.
- Included a confirmation that the Articles of Association of the Target Company do not restrict the takeover and change in control pursuant to the SPA. Please refer to paragraph 5.8 on page 26 of the LOF for further details.
- Included an update regarding board of directors of the Target Company. Please refer to paragraph 5.13 and 5.14 on page 27 of the LOF for further details.
- Included an updated shareholding pattern of the Target Company as on the Identified Date. Please refer to paragraph 5.21 on page 30 of the LOF for further details.
- Included a clarification regarding justification for calculation of price of INR 30.90 per Equity Share towards acquisition of trademarks. Please refer to paragraph 6.1.6 on page 32 of the LOF for further details.
- Included a confirmation that the Acquirer has utilized its internal accruals for depositing funds in the Escrow Account. Please refer to paragraph 6.2.5 on page 33 of the LOF for further details.
- Included additional clarifications relating to acquisition of Land Parcels. Please refer to paragraph 7 on page 34 of the LOF for further details.
- Included details related to availability of electronic inspection of documents. Please refer to paragraph 11 on page 54 of the LOF for further details.

#### 7. Revised Schedule of Activities:

Sr. No.	Activity	Schedule of activities disclosed in the DLOF		Revised schedule of activities <sup>(1)</sup>	
		Date	Day	Date	Day
1.	Date of the PA	February 22, 2022	Tuesday	February 22, 2022	Tuesday
2.	Date of publication of the DPS	February 24, 2022	Thursday	February 24, 2022	Thursday
3.	Date of filing of the DLOF with SEBI	March 4, 2022	Friday	March 4, 2022	Friday
4.	Last date for public announcement for competing offer(s) <sup>(2)</sup>	March 21, 2022	Monday	March 21, 2022	Monday
5.	Last date for receipt of SEBI observations on the DLOF (in the event SEBI has not sought clarifications or additional information from the Manager)	March 28, 2022	Monday	May 10, 2022 <sup>(3)</sup>	Tuesday
6.	Identified Date <sup>(4)</sup>	March 30, 2022	Wednesday	May 06, 2022	Friday
7.	Last date by which the LOF is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	April 6, 2022	Wednesday	May 20, 2022 <sup>(5)</sup>	Friday <sup>(5)</sup>
8.	Last date for upward revision of the Offer Price and/or Offer Size	April 11, 2022	Monday	May 19, 2022	Thursday
9.	Last date by which the committee of the independent directors of the Target Company is required to give its recommendation to the Public Shareholders for this Open Offer	April 11, 2022	Monday	May 19, 2022 <sup>(6)</sup>	Thursday <sup>(6)</sup>
10.	Date of publication of Offer opening public announcement in the newspapers in which the DPS has been published	April 12, 2022	Tuesday	May 20, 2022	Friday
11.	Date of commencement of the tendering period ("Offer Opening Date")	April 13, 2022	Wednesday	May 23, 2022	Monday
12.	Date of closure of the tendering period ("Offer Closing Date")	April 28, 2022	Thursday	June 03, 2022	Friday
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	May 13, 2022	Friday	June 17, 2022	Friday
14.	Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	May 23, 2022	Monday	June 24, 2022	Friday

#### Notes:

- Where last dates are mentioned for certain activities, such activities may take place on or before the respective last dates.
- There is no competing offer as on the date of the LOF.
- Actual date of receipt of SEBI's final observations on the DLOF.
- The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the LOF will be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except those who are excluded from the ambit of Public Shareholders) are eligible to participate in the Open Offer at any time during the Tendering Period.
- The dispatch of the LOF was completed on Tuesday, May 17, 2022.
- The recommendation of the IDC was published on Tuesday, May 17, 2022.

The Acquirer and its directors in their capacity as directors, accept the responsibility for the information contained in this Offer Opening Public Announcement and Corrigendum (except for the information pertaining to the Target Company, which has been sourced from publicly available sources or from information published or provided by the Target Company) and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations in respect of the Open Offer.

This Offer Opening Public Announcement and Corrigendum is expected to be available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in).

#### Issued by the Manager



**Kotak Mahindra Capital Company Limited**  
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Tel: +91 22 4336 0128; Fax: +91 22 6713 2447  
E-mail: [butterfly.openoffer@kotak.com](mailto:butterfly.openoffer@kotak.com)  
Contact Person: Mr. Ganesh Rane; Website: [www.investmentbank.kotak.com](http://www.investmentbank.kotak.com)  
SEBI Registration Number: INM000008704

#### Registrar to the Offer



**KFin Technologies Limited**  
(Formerly known as "KFin Technologies Private Limited")  
Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi 500032, Telangana, India  
Tel: +91 40 6716 2222; Fax: +91 40 2343 1551  
Email: [bgal.openoffer@kfintech.com](mailto:bgal.openoffer@kfintech.com)  
Contact Person: Mr. M. Murali Krishna  
Website: [www.kfintech.com](http://www.kfintech.com); SEBI Registration No: INR00000221

For and on behalf of the Acquirer

**CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED**

Sd/

Place: Mumbai  
Date: May 19, 2022