

**Date: 03.10.2018**

**To,**

**The Compliance Department,  
B.S.E. Limited,  
P. J. Towers, Dalal Street,  
Fort, Mumbai - 400 001  
Maharashtra, India.**

**(Ref.: Inflame Appliances Limited, Scrip Code: 541083)**

**Sub: Annual Report of Inflame Appliances Limited for F.Y. 2017-18 approved and adopted in the 1<sup>st</sup> Annual General Meeting of the Company**

Dear Sir/Ma'am,


Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith a copy of Annual Report 2017-18 of Inflame Appliances Limited (Scrip Code: 541083), which has been approved and adopted in the 1<sup>st</sup> Annual General Meeting of Inflame Appliances Limited held **on Friday, September 28, 2018 at 11.00 A.M. at Hotel Le Mariet, 9th K.M. Milestone, Baddi - Nalagarh Road, NH 21-A Kishanpura, Nalagarh, Himachal Pradesh 174101, India..**

You are requested to take the same on record and inform all those concerned.

Thanking you,

Yours faithfully,

**For Inflame Appliances Limited**

**Abhimanyu  
Compliance Officer  
Place: Baddi**

**Inflame Appliances Limited**

(Formerly TECHNO ENGINEERING CORPORATION)

Khewat Khatoni no. 45/45, Khasra no. 942/855/1, Village Kalyanpur, Tehsil-Baddi,  
Baddi -173205, Solan, Himachal Pradesh, India

w: [inflameindia.com](http://inflameindia.com) | p: +91 78329 01820 | e: [info@inflameindia.com](mailto:info@inflameindia.com)



# Annual Report 2017-18

## OUR PRODUCTS

LPG Gas Stove in sheet metal (ISI Certified for open market and for Oil companies)

LPG Gas Stove with Toughened Glass (Optional Auto Ignition)



## OUR PRODUCTS

Electrical Chimneys – capacity upto 20000 units a month, presently these products are being majorly imported by most of companies from China.

Glass Hobs – capacity upto 10000 units a month, presently these products are being imported from China.

Stand-alone cooking ranges - capacity upto 2000 units a month.

No major manufacturer is manufacturing these products in India



**Laser Cutting Machine – Fabrication**



## OUR NEW FACILITY

Total Land – 12200 Square Meter

A total of 45000 Square Feet of working shed will be constructed for carrying out existing and additional activities

Located in Barwala, Panchkula, India

Located on Six-lane newly constructed highway connecting Panchkula to Yamunanagar

# LETTER TO THE SHAREHOLDERS



## Mr. Aditya Kaushik, Chairman & Managing Director

Dear Member(s),

With great pleasure, I welcome you to the First (1st) Annual General Meeting of our Company.

Our Company erstwhile Partnership firm was founded in the year 2010 with an object of manufacturing of Automobile Parts. After that our Company was incorporated in the year 2017 by conversion of Partnership firm "M/s. Techno Engineering Corpn." into the Company as "Inflame Appliances Limited" under the provision of Companies

Act. Thereafter, the Company has been listed on SME Platform of BSE Limited through the initial public offer. Hence, the shares of Company are listed on SME Platform of BSE Limited.

Today I am proud to be at the helms of the Company that is run by the team of enthusiastic and dedicated employees who have led the Company to newer heights successfully. In the year 2017-18, your company has crossed the turnover of Rs. 32.12 crore. The year 2017-18 is one of great year of your Company with crossing the new target in terms of turnover and in term of order receive from various client which will boost our turnover and profit in coming years.

Despite a very competitive and challenging environment, the overall performance of the Company has been significantly positive. With appropriate strategic and effective measures in place, your company is well on course to improve its performance.

Your Company has been continuously focusing on all round cost reduction in different areas of operations to achieve savings and gains that has significantly contributed to the above performance. Continued focus on providing that high quality, world class new and innovative products, with a clear vision on keeping the customer's need in mind will always hold the Company in good stead and positively enhance the Inflame brand value and contribute significantly towards a stronger financial performance. Additionally, road ahead is filled with so many challenges as well as opportunities and we are ready to face all the challenges from Market and to grab the opportunities in the best interest of your Company.

To proceed, the Board believes that the Company will need to follow a very sharp business strategy so that it will possible for the Company to compete with others and fulfil the needs of the society. The endeavour of the Company's management is always striving towards the optimal results and strengthening the relationship with the society. With your support, I am confident of leveraging opportunities and overcoming challenges to report exciting success in the coming times as well.

At the close, I would like to thank the entire team at Inflame Appliances Limited for an outstanding year which is reflective of their efforts, dedication and commitment to success.

I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our stakeholders for their faith in the Company and I look forward for their support, trust and confidence.

Wish best wishes  
Sincerely

Aditya Kaushik  
Chairman & Managing Director  
August 28, 2018

## OUR JOURNEY OVER THE YEARS

Listed on BSE SME through Initial Public Offer of the Company.

2018

2017

Conversion of Partnership firm into Public Limited Company.

Associated with Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited for Selling of LPG Stove.

2016

2016

Agreement with Indian Oil Corporation Limited for Selling of LPG Stove to Domestic Indane Distributors.

License from Bureau of Indian Standards as IS 4246:2002 for Quality Certification on Product our products.

2015

2010

Commencement Business as Partnership Firm in the name of "M/s Techno Engineering Corpn." vide Partnership



## Corporate Information

### Board of Directors

**Mr. Aditya Kaushik**

Chairman and Managing Director

**Mr. Akshay Kumar Vats**

Non-Executive Independent Director

**Mr. Dinesh Kaushik**

Whole Time Director

**Dr. Bindu Bhardwaj**

Non-Executive Independent Director

**Mrs. Anita Kaushik**

Whole Time Director

**Mr. Udit Chandiok**

Non-Executive Independent Director

### CEO & CFO

**Mr. Amit Kaushik**

### Company Secretary & Compliance Officer

**Mr. Abhimanyu**

### Registered Office & Manufacturing Unit-I

Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur Tehsil-Baddi, Solan -173205, Himachal Pradesh, India

E-mail: [info@inflamméindia.com](mailto:info@inflamméindia.com) ; Website:

[www.inflamméindia.com](http://www.inflamméindia.com)

CIN: U74999HP2017PLC006778

### Corporate Office & Manufacturing Unit-II

Village Bagwali, Khasra No. 40/14-15-16-17/1, Block - Raipur Rani, NH - 73, Panchkula, Haryana-134202, India

### Statutory Auditor

**M/s DEEPAK JHANWAR & CO.**

Chartered Accountants

Address: Shop No. 6, First Floor, Thakur Complex, Near Taxi Stand, Sai Road, Baddi, Distt. Solan, (Himachal Pradesh)-173205, India

Tel. No: +91-9736850597

Email: [cadeepakjhanwar@yahoo.in](mailto:cadeepakjhanwar@yahoo.in)

Contact Person: CA Deepak Jhanwar

### Secretarial Auditor

**M/s Kamiya,**

Practicing Company Secretaries

Address: #1518A, Sector-20-B Chandigarh

Tel No.: +91-98888 98151

E-mail: [kamiya.soni@live.com](mailto:kamiya.soni@live.com)

Contact Person: CS Kamiya

### Shares Listed at

**BSE Limited (BSE SME)**

25<sup>th</sup> Floor, P.J. Tower, Dalal Street, Fort, Mumbai - 400001, Maharashtra, India

### Depositories

National Securities Depository Limited

Central Depository Services (India) Limited

### Contact Person for Investors

**Mr. Abhimanyu**

Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur Tehsil-Baddi, Solan -173205, Himachal Pradesh, India

Tel No.: +91-1795-246820,

E-mail: [cs@inflamméindia.com](mailto:cs@inflamméindia.com)

Website: [www.inflamméindia.com](http://www.inflamméindia.com)

### Registrar and Share Transfer Agent (R&TA)

**Skyline Financial Services Pvt. Ltd.**

D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi - 110020, India

Tel No.: +91 11 64732681-88

Fax No.: +91 11 26292682

Email: [viren@skylinerta.com](mailto:viren@skylinerta.com);

Investor Grievance

Email: [grievances@skylinerta.com](mailto:grievances@skylinerta.com)

Website: [www.skylinerta.com](http://www.skylinerta.com)

Contact Person: Mr. Virender Rana

SEBI Regn. No.: INR000003241

### Bankers

**Canara Bank**

**Indian Bank**

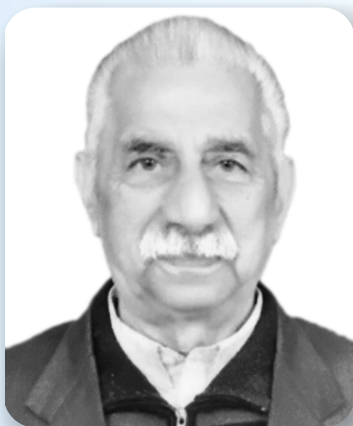
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## BOARD OF DIRECTORS



**Mr. Aditya Kaushik**  
Chairman & Managing Director



**Mr. Dinesh Kaushik**  
Whole Time Director



**Mrs. Anita Kaushik**  
Whole Time Director



**Mr. Akshay Kumar Vats**  
Non-Executive &  
Independent Director



**Dr. Bindu Bhardwaj**  
Non- Executive &  
Independent Director



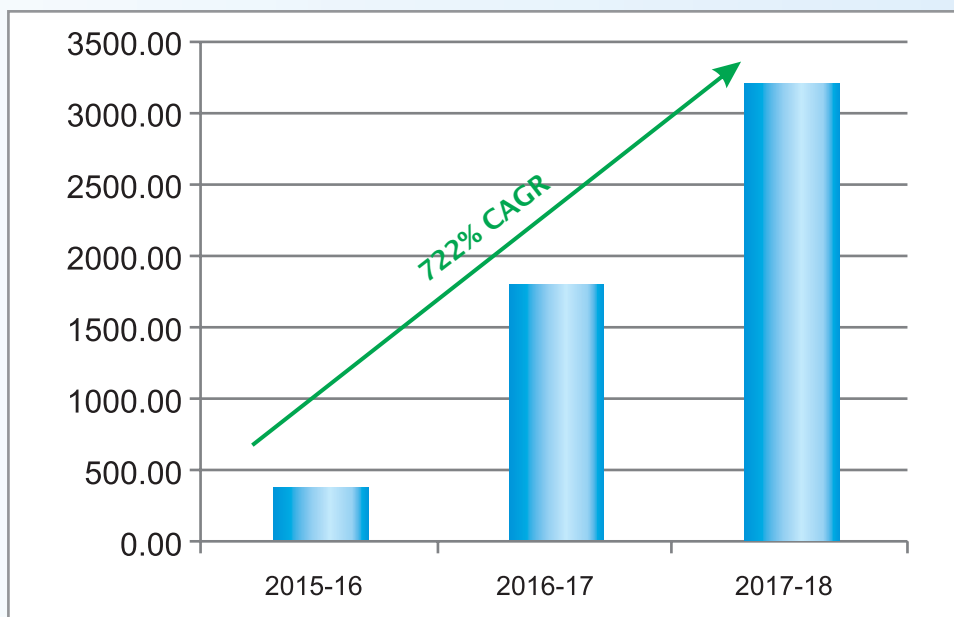
**Mr. Udit Chandiok**  
Non-Executive &  
Independent Director



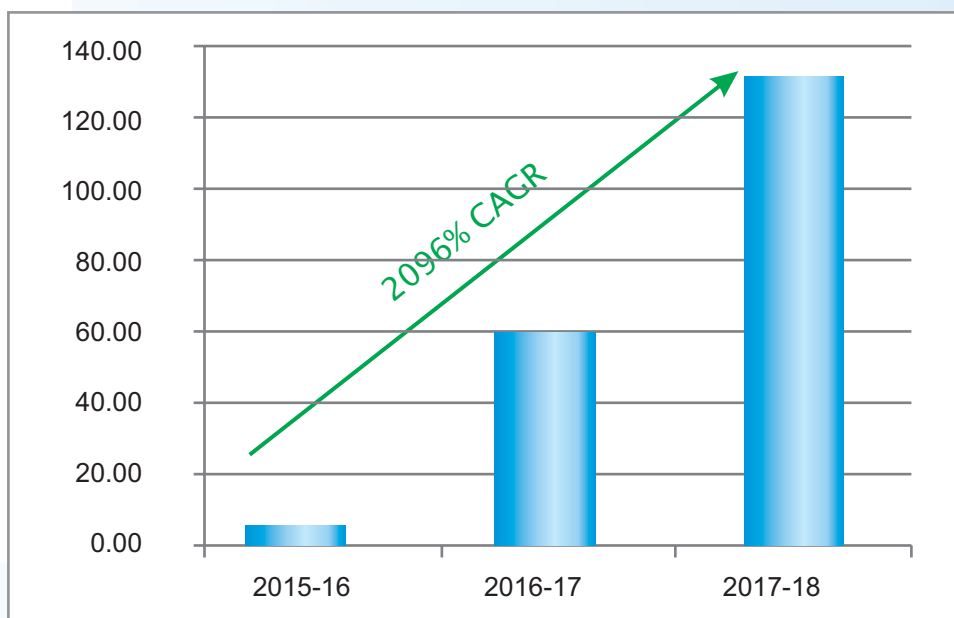
## PERFORMANCE HIGHLIGHTS

Over the past three years, we significantly enhanced our size, scale, scope, asset profile. This has been reflected in our promising turnover

### Sales (Rs. in Lakhs)



### Profit after Tax (Rs. in Lakhs)



## BUSINESS OVERVIEW

Inflame Appliances Limited, an established prominent manufacturer of LPG stove/cooktops and sheet metal components. The present facilities at Inflame include a metal pressing unit and producing metal cooktops, glass cooktops, built-in hobs and chimneys. We have manufacturing facilities equipped with modern infrastructure and sophisticated machines backed by untiring efforts in the field of research & development and high-quality consciousness. Our vast experience in the domain, progressive management and cutting-edge production technology contribute to our ability to provide our customers with exceptional value in a highly competitive industry. Established PAN India network by supplying under Prime Minister Ujjawala Yojana

### Vision

We believe that change is possible and can happen against all the odds.

### Mission

We aim to manufacture and market best quality products in the kitchen appliances market to offer the highest degree of efficiency and client satisfaction, thereby continuously maximizing the company's wealth.

## Global Kitchen Appliances Market

Global Kitchen Appliances Manufacturers Market is expected to garner \$253.4 billion by 2020, registering a CAGR of 6.4% during the forecast period 2014-2020. The global kitchen appliance market is instrument or devices designed for the smooth functioning of kitchen activities. Kitchen appliances operate with the help of either gas or electricity. Although electricity operates a significant portion of kitchen appliances; cooking fuel, renewable and solar energy also play an essential role in the operation of kitchen appliances. Stove, refrigerator, and dishwashers are some of the primary devices used in the kitchen. The growth of the kitchen appliances market is supplemented by rising disposable incomes, changing lifestyles, increasing health concerns and the growing food and services industry.

Key findings of kitchen market research:

- The Global kitchen appliances market is growing at a steady pace due to increasing disposable incomes, the growing food, and services industry and the increasing health concerns, during the forecast period (2014 - 2020)
- Refrigerator market is the major contributor in the kitchen appliances market, whereas cooking appliances, is the second leading market segment
- North America enjoys the most significant share in the global kitchen appliances market. However, Asia-Pacific would prove to be one of the most profitable markets, concerning growth.

## Indian Kitchen Appliances Market

India has emerged as one of the primary hotspots for the growth of kitchen appliances. Due to increasing real-estate prices, many consumers in India prefer houses with smaller kitchens. To proficiently use space, people opt for modular kitchens, which increases demand for cooking appliances. Demand for small kitchen appliances, like stoves, cooking range, etc., are expected to grow at a significant pace, due to their critical importance in the country.

Increasing dual-income families and cumulative growth of nuclear families are expected to increase the need for kitchen appliances. The strong single-digit GDP growth, with an average of 7% since 2013, and growing population, are other factors that boost the market growth in the country.

With a vast population of over 1.30 billion people and growing middle-class population of over 267 million, the country presents enormous opportunities for a multitude of products including kitchen appliances.

According to a report, "India Kitchen Appliances Market Analysis: Forecast & Opportunities, 2016-2022", Kitchen Appliances market recorded strong growth, with a CAGR of over 13% during the review period of 2011-16. The market advanced on the back of rising disposable income, growing sales infrastructure in the form of specialist stores & e-commerce players coupled with innovation in kitchen appliances, increasing popularity of modular kitchens and convenience associated with such appliances. The market is forecast to advance with a double-digit CAGR of 15.41% during the estimated period of 2017-22.

## Product Overview

Over 1.4 billion people don't have access to electricity and rely on alternative fuels that can be dangerous and harmful to a person's health. By increasing safety and productivity while decreasing living expenses, sustainable energy improves all aspects of life for the members of a community.

From clean LPG cook stoves to energy-efficient induction cooktops, the range of our solutions is as diverse as the problems they address

Our product range includes

- Cooking Range
- Built-in-Hobs
- Cooktops
- Cooker Hoods (Chimneys)

## Market Strategy

Our primary focus is on manufacturing and supplying Quality Products. For focusing on existing markets and increasing our customer base, our marketing strategy includes:

- Mobile Marketing
- Virtual Billboards
- Search Engine Marketing
- Print Media
- Broadcast Media
- Timely Order Quantity Fulfillment
- Supply of Quality Products

## Business Strategy

Our company has Marketing agreements with Indian Oil Corporation Limited to market, sell, distribute, and promote LPG Stoves through Indane Distributors to domestic Indane Customers. We have also made a marketing arrangement with HPCL and BPCL for selling our products to their distributors and customers.

Since the past years, the focus of our Company has been in developing innovative product range under the brand "Inflame"; entering into arrangements with distributors; tie-up with suppliers; and recruiting a sales team which gives us a launch pad to take us forward. The company is also manufacturing the Glass top LPG Stove in 2/3/4 burner in premium ranges for brands like "Hindware" and "Avaante."

- Our strategy includes:
- Quality Assurance;
- To build-up a professional organization;
- Development of innovative products;
- Optimal utilization of resources.

## SWOT ANALYSIS

### Strengths

- Quality of our Products
- Cost efficient sourcing and location advantage
- Proven and experienced management team
- Research and Development
- Extensive Distribution Network

### Opportunities

- Unorganized existing market
- Government initiatives for providing a boost to the semiconductor as well as the electronics manufacturing industry
- Government incentives for investors to make investments in the electronics sector, create employment and reduce imports
- Increasing population
- Awareness towards quality products
- Safety issues

### Weakness

- Indian Tax system
- Risk of sustainability in the volatile market

### Threats

- Political instability
- Government Policies

## NOTICE

Notice is hereby given that the First Annual General Meeting of Inflamm Appliances Limited will be held on Friday, September 28, 2018 at 11.00 A.M. at Hotel Le Mariet, 9th K.M. Milestone, Baddi - Nalagarh Road, NH 21-A Kishanpura, Nalagarh, Himachal Pradesh 174101, India, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; and
2. To appoint a Director in place of Mrs. Anita Kaushik (DIN-07971788) who retires by rotation and, being eligible, offers herself for re-appointment.

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Anita Kaushik (DIN-07971788) who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or amendment(s) there-to or re-enactment(s) thereof for the time being in force), M/s Gandhi Minocha & Co., Chartered Accountants, Delhi, (Firm Registration No. 000458N) be and is hereby appointed as Statutory Auditors of the Company to hold office for a period of five consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of Sixth Annual General Meeting of the Company and that the Board of Directors be and are hereby authorised to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to sign and submit necessary forms to the Registrar of Companies and to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

### SPECIAL BUSINESS:

4. To Appoint Mrs. Smita Bhandari (DIN: - 08205214) as an Non-Executive Independent -Director

**“RESOLVED THAT** pursuant to provision of Section 149, 152 read with Schedule IV and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Consent of Members of the Company to change the designation and fixing terms of Mrs. Smita Bhandari (DIN:- 08205214), who was appointed as Additional Non-Executive Director in Board meeting held on August 28, 2018, Further pursuant to the provisions of the Companies Act 2013 and the Articles of Association of the Company and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent (Non-Executive) Director, be and is hereby reappointed as Non-Executive Independent Director of the Company to hold office for 5 (five) consecutive years and not be liable to retire by rotation and shall be entitled to receive sitting fees for attending meetings of the Board or any committees thereof as detailed in the draft letter of appointment, and, as may be determined by the Board from time to time.



**RESOLVED FURTHER THAT** Board of the Directors of the Company be and is severally hereby authorized to file necessary forms with the concerned Registrar of Companies in this regard and to do all the acts, deeds, things that are necessary to give effect to above said resolution.”

**By order of the Board of Directors  
For Inflammé Appliances Limited**

**Sd/-**

**Abhimanyu  
Company Secretary & Compliance Officer**

**Place – Baddi, Solan, Himachal Pradesh.  
Date – 28/08/2018**

### **Explanatory Statement in Respect of the Special Business pursuant to Section 102 of The Companies Act, 2013**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Smita Bhandari (DIN: - 08205214) as Additional Non-Executive Director of the Company with effect from August 28, 2018. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mrs. Smita Bhandari (DIN: - 08205214) for the office of Non-Executive Independent Director in terms of Section 164 of the Act and has given her consent to act as Non-Executive Independent Director. Section 149 of the Act inter-alia stipulates the criteria of Independence should company propose to appoint Non-Executive Independent Director on its Board. The Company has received a declaration from Mrs. Smita Bhandari (DIN: - 08205214) that she meets with the criteria of Independence as prescribed under section (6) of section 149 of the act.

Mrs. Smita Bhandari (DIN:- 08205214) aged 47 Years and holds a degree of B.Ed. and M.A. She is having 12+ years of teaching experience in multi-location & multi-cultural environs.

None of the other Directors /Key Managerial Personal of the Company/ their relatives is in any way concerned or interested, financially or otherwise in the resolution.

**By order of the Board of Directors  
For Inflamm Appliances Limited**

**Sd/-**

**Abhimanyu  
Company Secretary & Compliance Officer**

**Place – Baddi, Solan, Himachal Pradesh.**

**Date – 28/08/2018**

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. If a Person is appointed as Proxy for more than 50 Members, he shall choose any 50 Members and confirm the same to the Company 24 hours before the commencement of the Meeting. In case, the Proxy fails to do so, the Company shall consider only the first 50 proxies received in respect of such person as valid.
3. Brief Resume of the Director(s) seeking re-appointment, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} is annexed hereto and forms part of Notice.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 22, 2018 to Friday, September 28, 2018 (both days will be inclusive).
6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No. They are also requested to bring their copy of the Annual report to the Annual General Meeting.
7. The route map and prominent landmark of the venue of the Annual General Meeting as required under Secretarial Standards on the General Meeting is annexed herewith as with this Report.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Skyline Financial Services Private Limited ('the RTA') to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the RTA.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Skyline Financial Services Private Limited (RTA).

9. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.

10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
11. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.
15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
16. The Notice of the AGM along with the Annual Report 2017-18 along with the Attendance Slip and Proxy Form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website viz. [www.inflameindia.com](http://www.inflameindia.com).
17. **To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs. The registered e-mail address will be used for sending future communications.**
18. Members are requested to: -
  - (a) note that copies of annual Report will not be distributed at the AGM and they will have to bring their copies of annual Report;
  - (b) bring the Attendance Slip at the venue duly filled-in and signed for attending the meeting, as entry to the AGM Place will be strictly on the basis of the Entry Slip available at the counters at the meeting venue in exchange of the attendance Slip;
  - (c) quote their Folio / Client ID & DP ID Nos. in all correspondence with the Company / R&TA;
  - (d) note that no gifts / coupons will be distributed at the AGM.

## VOTING THROUGH ELECTRONIC MEANS:

19. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by ICSI, the Company is offering e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the Notice. The e-voting services provided by CDSL on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

20. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
21. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
22. **The instructions for shareholders voting electronically are as under:**
  - (l) The voting period begins on Tuesday, September 25, 2018 from 9.00 A.M and ends on Thursday, September 27, 2018 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on Friday, September 21, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The e-voting module shall be disabled by CDSL for voting thereafter.
  - A. Members whose e mail address are registered with the Company / Depository Participants will receive an email from CDSL Informing your ID and password:
    1. Open e mail and open PDF file viz., "remote e voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e voting. Please note that the password is an initial password.
    2. Launch internet browser by typing the following: URL: <https://www.evotingindia.com>.
    3. Click on Shareholders/Member- Login
    4. If you are already registered with CDSL for e-voting, then you can use your existing user ID and password for casting your vote.
    5. If you are logging in for the first time, please enter the User ID and password provided in the pdf file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
    6. Now Enter your User ID

**For CDSL: 16 digits beneficiary ID,**

**For NSDL: 8 Character DP ID followed by 8 Digits Client ID,**

Members holding shares in Physical Form should enter Folio Number registered with the Company.

7. Next enter the Image Verification as displayed and Click on Login.
8. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



9. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
<b>Dividend Bank Details</b> <b>OR Date Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p><input type="checkbox"/> <input type="checkbox"/> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction 6.</p>

10. After entering these details appropriately, click on "SUBMIT" tab.
11. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
12. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
13. Click on the EVSN (**i.e. 180823025**) for the relevant <**Inflame Appliances Limited**> on which you choose to vote.
14. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
15. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
16. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
17. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
18. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

19. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
20. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
21. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
22. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) , under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
23. Any person who acquired shares of the company and becomes shareholders of the company after dispatch of the Notice of AGM and holds shares as of the cut off date i.e. Friday, September 21, 2018, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) of Issuer/RTA.
24. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off dated Friday, September 21, 2018.
25. The board of directors has appointed Mr. Arpit Gupta (Membership No. - 421544), Practicing Chartered Accountants, Partner of A Y & Company (Formerly Known as Arpit R Gupta & Company) (404, Fourth Floor, ARG Corporate Park, Ajmer Road, Gopalbari Jaipur-302006, Rajasthan, India) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
26. The Scrutinizer shall after the conclusion of voting at the general meeting will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e voting in the presence of at least two witnesses not in the employment of the company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.inflamméindia.com](http://www.inflamméindia.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchange.
28. The Company is not providing Video Conferencing facility for this meeting.

29. The entire Annual Report is also available on the Company's website [www.inflameindia.com](http://www.inflameindia.com).

**By order of the Board of Directors  
For Inflame Appliances Limited**

**Sd/-**

**Abhimanyu  
Company Secretary & Compliance Officer**

**Place – Baddi, Solan, Himachal Pradesh.  
Date – 28/08/2018**

## BRIEF RESUME OF THE DIRECTOR(S) SEEKING RE-APPOINTMENT AT THE 1<sup>st</sup> ANNUAL GENERAL MEETING TO BE HELD ON SEPTEMBER 28, 2018.

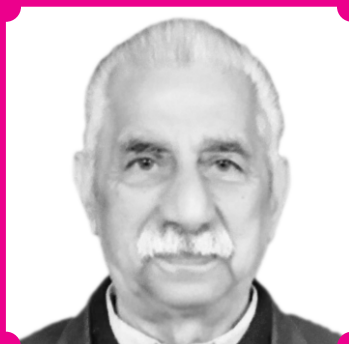
Particulars	Mrs. Anita Kaushik
Date of Birth	10/10/1968
Date of Appointment	January 05, 2018
Qualifications	Bachelor of Arts
Expertise in specific functional areas	She is having 05 years of experience in Business of Trading and Manufacturing of LPG GAS Stove.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	NIL
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL
Number of shares held in the Company	4800 equity shares
Relationships with other Directors, Manager and other Key Managerial personnel	Wife of CEO/CFO Mr. Amit Kaushik
Details of remuneration paid / sought to be paid	Rs. 1,00,000/-
Number of meetings of the Board attend during the year	09
DIN	07971788

## DIRECTORS' PROFILE

Mr. Aditya Kaushik is the Chairman and Managing Director of our Company. He is qualified with Two Year Certified Course of Air-conditioning and Refrigeration from National Council for Vocational Training. He was a partner in the firm M/s Techno Engineering Corpn. since 2015. He has 15 years of work experience in industry of Domestic Appliances and in Manufacturing of powder coating, different types of LPG GAS Stove, its parts and Sheet Metal Products. He is actively engaged in managing the company since his appointment as Director and is responsible for the expansion and overall management of the business of our Company. Being an early starter he has worked on almost all levels of the organization which helps him understand and handle major functions of our Company. His varied experience and varied helps us work united towards the same goals of the vision set by the management. Under his guidance our Company witnessed continued growth.



**Mr. Aditya Kaushik**  
**Chairman**  
**Managing Director**  
**(DIN: 06790052)**



**Mr. Dinesh Kaushik**  
**Whole Time Director**  
**(DIN: 07971536)**

Mr. Dinesh Kaushik is the Whole Time Director of our Company. He passed his Matriculation Examination and completed Two Month Course of Business Management from Ministry of Commerce & Industry, Small Industries Service Institute Ludhiana. He also has a practitioner certificate in Homeopathic System of Medicine from Council of Homeopathic System of Medicine, Haryana. He was a partner in the firm M/s Techno Engineering Corpn. since 2015. He has 20 years' experience in the administrative fields and 5 years' experience in engineering business. He has been associated with the partnership firm "M/s Techno Engineering Corpn." since 2015. He is entrusted with the responsibility to look after the administration and Human Resource function of our Company. His dynamism helps us cope with the work pressures efficiently and effectively and in execution of all operations specifically related to production and business activities of our Company.

Mrs. Anita Kaushik is Whole Time Director of our Company. She holds Bachelor degree in Economics from Mohanlal Sukhadia University, Udaipur and is having 05 years of experience in Business of Trading and Manufacturing of LPG GAS Stove. She is entrusted with the responsibility to look after the Commercial and Logistic function of our Company. She engaged herself in appliances business in the year 2012 at Faridabad and has been improving the economic activities of the company. Being Masters in Economics, the company has gained tremendously from her experience in strategic planning and policy making, which is a crucial & critical aspect in a swiftly growing company like Inflamm. She has already been successful in implementing many beneficial policies which maintain mutual understanding between different sections of the company while carrying out their respective responsibilities.



**Mrs. Anita Kaushik**  
**Whole Time Director**  
**(DIN: 07971788)**



Mr. Akshay Kumar Vats is a Non-Executive Independent Director of our Company. He holds degree of Bachelor of Law from Delhi University and Bachelor of Arts from Punjab University. Mr. Akshay Kumar Vats is a retired Deputy Director of Government of Haryana Employment Department, Chandigarh and has around 30 years of experience in this Service Sector.

His experience in legal matters helps the company in dealing with various government agencies, administrative functions, human resource management and other legal matters.



**Mr. Akshay Kumar Vats**  
Non-Executive &  
Independent Director  
(DIN: 08020018)



**Dr. Bindu Bhardwaj**  
Non- Executive &  
Independent Director  
(DIN: 07550833)

Dr. Bindu Bhardwaj is a Non-Executive Independent Director of our Company. She has done her Doctor of Philosophy from Thapar University, Patiyala. She is a Practising Chartered Accountant in state of Himachal Pradesh. She has 17 years of work experience in different profiles at Thapar University, Patiala.

Mr. Udit Chandiok is a Non-Executive Independent Director of our Company. He holds degree of Bachelor of Technology (Mechanical Engineering) from Maharishi Markandeshwar University, Mullana. He is managing his own business of manufacturing of automobile components using lot of CNC Machines. He has around 5 years of experience in the Automobile Sector. His expertise in technology would add value to the company's advancement in technology & automation and also implement next generation systems.



**Mr. Udit Chandiok**  
Non-Executive &  
Independent Director  
(DIN: 08020035)

# BOARD'S REPORT

To

The Shareholders,

Your Directors have pleasure in presenting the 1<sup>st</sup> (First) Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2018.

## 1. FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2018 is summarized as below:

(Amount in Rs.)

Particulars	Current Year 2017-18
Revenue from operations	89,907,038.51
Other income (net)	69,999.00
Total Income	89,977,037.51
Less:	
Operating & Administrative expenses	84,653,552.22
Profit Before Depreciation Interest & Tax	5,323,485.29
Less:	
Depreciation and amortization expense	1,198,256.00
Finance costs	184,004.97
Profit before exceptional item and tax	3,941,224.32
Exceptional item	0.00
Profit before tax (PBT)	3,941,224.32
Tax expense	898,937.00
Profit after tax for the year (PAT)	3,042,287.32
EPS (Rs.)	0.76

Our Company was incorporated on November 14, 2017 by conversion of partnership firm M/s Techno Engineering Corpn. which was formed in the year 2010. The financial performance in total of our Company erstwhile partnership for the year 2017-18 is as under:-

(Amount in Rs.)

Particulars	Current Year 2017-18
Revenue from operations	32,12,35,079.00
Other income (net)	12,46,616.00
Total Income	32,24,81,695.00
Less:	
Operating & Administrative expenses	30,33,99,241.00
Profit Before Depreciation Interest & Tax	1,90,82,454.00
Less:	
Depreciation and amortization expense	22,01,104.00
Finance costs	14,67,028.00
Profit before exceptional item and tax	1,54,14,322.00
Exceptional item	0.00
Profit before tax (PBT)	1,54,14,322.00
Tax expense	30,17,809.00
Profit after tax for the year (PAT)	1,23,96,512.00
EPS (Rs.)	0.76

## 2. OPERATION & REVIEW

The Company In flame Appliances Limited, was incorporated by way on Conversion of erstwhile Partnership Firm Techno Engineering Corpn. Company's performance during the Financial Year 2017-18 was partly in the name of Techno Engineering Corpn. and partly in the name of In flame Appliances Limited.

Revenue from the operations was Rs. 23.13 Crores in the name of Techno Engineering Corpn. & Rs. 8.99 Crores in the name of In flame Appliances Limited. Aggregating a total of Rs. 32.12 Crores, 77.85% higher than Rs. 18.06 Crores in the previous year. Detailed report on operations of and structure of Business of the Company has been included in Management Discussion and Analysis Report, which forms part of this Annual Report.

## 3. RISK MANAGEMENT AND INTERNAL CONTROL

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company at regular intervals monitors the financial, operational, legal risk to the Company through procedures like audit, inspections etc.

There is no risk, which in the opinion of the Board may threaten the existence of the Company. The internal financial controls are adequate and are monitored at regular intervals.

## 4. DIVIDEND

The Board thinks that the profits should be retained for the expansion of the Company, which is in pipeline for more growth and value addition to the company and forming a strong business base so that revenue flows from many channels and hence the Directors of your Company do not recommend any dividend for FY 2017-18.

## 5. SHARE CAPITAL

During the financial year 2017-18, the company has allotted 12,00,000 equity shares of Rs. 10/- each at a premium of Rs. 44/- per share through Initial Public Offer (IPO) on SME Platform of BSE Limited. The Company got listed on BSE SME Platform with effective from March 16, 2018.

During the year under review, Following Allotments were made:

S No.	Date	Type	Particulars	Shares Allotted
01	14/11/2018	Subscription to MOA	14,55,400 Shares allotted pursuant to Pursuant to conversion of partnership firm M/s Techno Engineering Corpn. into Company.	14,55,400
02	05/01/2018	Preferential Allotment	1,18,000 shares to Aditya Kaushik 14,600 shares to Dinesh Kaushik	1,32,600
03	15/01/2018	Preferential Allotment	1,62,000 shares to Aditya Kaushik	1,62,000
04	17/01/2018	Bonus Shares	10,50,000 Equity Shares Allotted by way of Bonus Issue to existing Shareholders	10,50,000

## 6. USE OF PROCEEDS

The proceeds from the Issue of the Company vide prospectus dated February 23, 2018 have been utilized / are in process of utilization for the purpose for which they were raised and there is no deviation in the utilization of proceeds.

## **7. TRANSFER TO RESERVES**

The Company has not transferred any amount to the General Reserve account during the reporting period.

## **8. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the period under review, there is no unpaid/unclaimed dividend which is required to transfer in IEPF (Investor Education and Protection Fund) as per the provisions of the Companies Act, 2013.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A Separate report on Management Discussion and Analysis Report as required under regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been presented in a separate section forming part of this Annual Report.

## **10. CHANGE IN NATURE OF THE BUSINESS**

There was no change in the nature of business of the Company during the year under review.

## **11. HUMAN RESOURCE DEVELOPMENT**

The Company sees its employees as critical to the future and believes that every employee needs to possess apart from competence, capacity and capabilities, sustainable values, current and contemporary which would make them useful and relevant and competitive in managing the change constructively for overall growth of the organization. To this end the company's approach and efforts are directed towards creating a congenial work atmosphere for individual growth, creativity and greater dedicated participation in organizational development. The Company believes that the success of an organization largely depends on the quality of its workforce. Employee relations remained cordial and peaceful throughout the year.

## **12. QUALITY INITIATIVES**

The Company is committed to the highest level of quality and continuous improvement programme are organized at all the level. We are having Quality Approval from the department of BIS (Bureau of Indian Standard) and our products are per specification and standards set by the Department. Our Company is IS 4246:2002 certified company by the independent originations.

## **13. SUBSIDIARY COMPANIES**

The Company does not have any subsidiary companies. Hence, Your Company is not required to present the consolidated financial statement as per the requirement of the provision of Section 136 of the Companies Act, 2013.

## **14. MATERIAL CHANGES AND COMMITMENTS**

There is no material change and commitments affecting the Financial Position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relates and the date of the report.

## **15. PROGRAMME FOR FAMILIARISATION OF INDEPENDENT DIRECTORS**

The details of programme for familiarization of independent directors of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company's website [www.inflameindia.com](http://www.inflameindia.com)

## 16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

**Mrs. Anita Kaushik, Whole Time Director** is liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer herself for re- appointment.

Mrs. Smita Bhandari is appointed as additional Non-Executive Director on the Board w.e.f. August 28, 2018 and regularization as Non-Executive Independent Director for five years in the forthcoming Annual General Meeting, not liable to retire by rotation.

Dr. Bindu Bhardwaj who has resigned from the post of Non-Executive Independent Director w.e.f. April 13, 2018 as approved by board of Directors via resignation letter dated March 31, 2018.

A Statement on declaration given by Independent Directors under section 149 sub-section (6) is given by Independent Director of the Company

There was no change in any Key Managerial Personnel of the Company during the year.

## 17. NUMBER OF MEETINGS OF THE BOARD

Nine (9) meetings of the board were held during the year. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

## 18. BOARD EVALUATION

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance. The evaluation covered functioning and composition of the Board and its committees, understanding of the roles and responsibilities, experience, competencies, participation at the Board and Committee meetings, corporate governance practices etc.

Evaluation of the Board and its compositions was carried out through a defined process covering the areas of the Boards functioning viz. composition of the Board and Committees, understanding of roles and responsibilities, experience and competencies, contribution at the meetings etc.

## 19. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

Pursuant to the requirement of Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy on appointment of Directors including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other senior management has been disclosed in the corporate governance report, which forms part of this report.

## 20. AUDIT COMMITTEE

During the year under review, the Company constituted the Audit Committee and the primary objective is to monitor and supervise the financial reporting, to ensure accurate and timely disclosures, transparency, integrity and quality of financial reporting. As of the date of this report, the audit committee is comprised of Mr. Akshay Kumar Vats (Chairman), Dr. Bindu Bhardwaj (Member) and Mr. Aditya Kaushik (Member).

## 21. STATUTORY AUDITORS

Deepak Jhanwar & Co., Chartered Accountants, who are the statutory auditors of the Company, hold office till the August 10, 2018 and resigned from the post of Statutory Auditor of the Company w.e.f. August 11, 2018. The appointment of M/s Gandhi Minocha & Co., Delhi as the Statutory Auditors for a period of five years from the conclusion of this Annual General Meeting held on September 28, 2018 till the conclusion of Annual General Meeting of the Company to be held in calendar year 2023. Accordingly, requisite resolution forms part of the notice convening the AGM. The auditors' report does not contain any qualifications, reservations or adverse remarks.



## **22. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Kamiya, Company Secretary in practice to undertake the Secretarial Audit of the Company for the year under review. The Board has duly reviewed the Secretarial Auditor's Report and the comments, appearing in the report are self-explanatory and do not call for any further explanation by the Board of Directors as provided under section 134 of the Act. The Secretarial Audit Report is annexed herewith as "Annexure-IV".

## **23. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

## **24. VIGIL MECHANISM /WHISTLE BLOWER POLICY**

As per the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Regulation 22 of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a Whistle Blower Policy with a view to provide vigil mechanism to Directors, employees and other stakeholders to disclose instances of wrong doing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Whistle Blower Policy also states that this mechanism should also provide for adequate safeguards against victimization of Director(s)/ Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

## **25. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the Financial Year 2017-18, the Company has not received any complaints of sexual harassment.

## **26. TRANSACTIONS WITH RELATED PARTIES**

Pursuant to the provisions of Section 134 (3) read with Section 188 (2) of the Companies Act, 2013, details of transaction for the year under review are given in Form AOC-2 as Annexure-III to this report and in the section on Related Party Transactions in Corporate Governance Report.

## **27. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT 9 as per provisions of Companies Act, 2013 and rules there to be annexed to this report as "Annexure - II".

## **28. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 in respect of employees of the Company will be provide upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto excluding the information on employee's particulars which is available for inspection by members at the registered office of the Company during the business hours on all working days of the Company up to the date of ensuing Annual General Meeting of the Company. If any member is interested in inspection the same, the member may write to the Company Secretary in advance.

## 29. DEPOSITS FROM PUBLIC

Your Company has not accepted any Fixed Deposits as defined under Section 73 of the Companies Act, 2013 and rules framed thereunder.

## 30. DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm:

- (i) in the preparation of the annual financial statements, applicable accounting standards have been followed and there are no material departures from the said standards;
- (ii) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit of the company for the year ended on that date;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities;
- (iv) the annual financial statements have been prepared on a going concern basis;
- (v) proper internal financial controls are in place and are adequate and are operating effectively; and
- (vi) the systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

## 31. CORPORATE SOCIAL RESPONSIBILITY

The Company is not falling under the criteria as mentioned in the Section 135 of the Companies Act, 2013 and rules made thereof which specifies the requirement of forming the Corporate Social Responsibility Committee.

## 32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO CONSERVATION OF ENERGY

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report as "Annexure - I".

## 33. THINK GREEN, GO GREEN' INITIATIVE

The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report and other documents through electronic means to its members at their registered email addresses, besides sending the same in physical form.

As a responsible Corporate Citizen, the Company has actively supported the implementation of 'Green Initiative' of Ministry of Corporate Affairs (MCA) and effected electronic delivery of Notices and Annual Reports to those shareholders whose email ids were already registered with the respective Depository Participants (DPs) and who have not opted for receiving such documents in physical form. The intimation of dividends (interim/final) is also being sent electronically to those shareholders whose email ids are registered.

**Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar and Share Transfer agent (R&TA) of the Company/Depository participant (DP) of respective member and take part in the Green Initiative of the Company, for receiving electronic communications and support the "THINK GREEN, GO GREEN" initiative.**

Further, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing e-voting facility to all members to enable them to cast their votes electronically in respect of resolutions set forth in the Notice of Annual General Meeting (AGM). The detailed instructions for e-voting are provided in the Notice of AGM.

### **34. ACKNOWLEDGEMENT**

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels.

**For and on behalf of the Board  
Inflame Appliances Limited**

**Sd/-**

**Mr. Aditya Kaushik  
Chairman & Managing Director  
DIN -06790052**

**Sd/-**

**Mr. Dinesh Kaushik  
Whole time Director  
DIN - 07971536**

**Place – Baddi, Solan, Himachai pradesh.  
Date – 28/08/2018**

# ANNEXURE TO BOARD'S REPORT

## ANNEXURE -I

### DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

#### A. CONSERVATION OF ENERGY

(i)	The steps taken or impact on conservation of energy;	The Company has adopted the system of shutting down the electrical machineries and appliances when not in use to avoid unnecessary waste of energy. New investment in machines is being considered with an idea to have reduction of consumption of energy. The impacts of measures taken are not precisely ascertainable.
(ii)	The steps taken by the company for utilizing alternate sources of energy;	NIL
(iii)	The capital investment on energy conservation equipment;	NIL

#### B. TECHNOLOGY, ABSORPTION, ADOPTION & INNOVATION

	The efforts made towards technology absorption;	The activities of the Company at present do not involve technology absorption and research and development
	Ç like product improvement, cost reduction, product development or import substitution;	bİ
	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
(iv)	The expenditure incurred on Research and Development.	NIL

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year:	NIL
The Foreign Exchange loss during the year in terms of actual outflows:	Rs. 1,48,492/-

## DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year
NIL	NIL	NIL	NIL

We hereby declare that the voting rights on shares in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

**For and on behalf of the Board  
Inflame Appliances Limited**

**Sd/-**

**Mr. Aditya Kaushik  
Chairman & Managing Director  
DIN -06790052**

**Sd/-**

**Mr. Dinesh Kaushik  
Whole time Director  
DIN - 07971536**

**Place -Baddi, Solan, Himachai pradesh.**

**Date - 28/08/2018**

**ANNEXURE -II  
FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March, 2018  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## **I. REGISTRATION AND OTHER DETAILS**

- i. CIN: U74999HP2017PLC006778
- ii. Registration Date: November 14, 2017.
- iii. Name of the Company: Inflamm Appliances Limited.
- iv. Category / Sub-Category of the Company: Company Limited by Shares / Indian Non-Government Company.
- v. Address of the registered office and contact details: Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur Tehsil-Baddi, Solan - 173205, Himachal Pradesh, India.
- vi. Whether Listed company: Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any: Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi - 110020, India.

## **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities **contributing 100 %** of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% to total turnover of the company
1	To carry on the business of designers, manufacturers, producers, fabricators, assemblers, importers, exporters, buyers, sellers, dealers, stockist, Suppliers, wholesalers, retailers, jobbers, contractors, repairers and hirers of all kinds of electrical and non-electrical Kitchen appliances and apparatus such LPG Stoves for use with Liquefied Petroleum Gases and Sheet Metal Components, Chimney, pressure cooker, electric grinders and domestic appliances, refrigerators, geysers, mixers, toasters, water filters and other similar equipment and components thereof.	0329	100%

## **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NOT APPLICABLE						



#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### I. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 14-11-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A: Promoters</b>									
(1) Indian:									
a) Individual/ HUF		1455400	1455400	100.00	2800000	-	2800000	70.00	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub - Total (A) (1)	-	1455400	1455400	100.00	2800000	-	2800000	70.00	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any other...	-	-	-	-	-	-	-	-	-
Sub - Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1) + (A)(2)	-	1455400	1455400	100.00	2800000	-	2800000	70.00	-
<b>B: Public Shareholding</b>									
1 Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub - Total (B) (1)	-	-	-	-	-	-	-	-	-
2 Non-institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	728000	-	728000	18.20	-
c) Others									
(c-i) Bodies Corporate	-	-	-	-	354000	-	354000	8.85	-
(c-ii) Non Resident Indians	-	-	-	-	10000	-	10000	0.25	-
(c-iii) Resident Indian HUF	-	-	-	-	56000	-	56000	1.4	-
Clearing member	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	52000	-	52000	1.3	-
Others	-	-	-	-	-	-	-	-	-
Sub - Total (B) (2)	-	-	-	-	120000 0	-	120000 0	30.00	-
Total public shareholding (B) = (B) (1) + (B)(2)	-	-	-	-	120000 0	-	120000 0	30.00	
C: Shares Held By Custodian For GDRS & ADRS	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	-	145540 0	1455400	100.00	400000 0	-	400000 0	100.00	-

## ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 14.11.2017			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Aditya Kaushik	1248500	85.78	-	244560 0	61.14	-	95.88
2	Dinesh Kaushik	191900	13.19	-	330400	8.26	-	72.17
3	Amit Kaushik	3000	0.21	-	4800	0.12	-	60.00

iii. Change in Promoters' Shareholding (please specify if there is no change)

S. No	Name of the Shareholder	Shareholding at the beginning of the year as on 14-11-2017		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Aditya Kaushik	1248500	85.78	05.01.2018	Preferential Allotment	118000	7.43	2445600	61.14
				15.01.2018	Preferential Allotment	162000	9.26		
				17.01.2018	Bonus Issue	917100	32.75		
2	Dinesh Kaushik	191900	13.19	05.01.2018	Preferential Allotment	14600	0.92	330400	8.26
				17.01.2018	Bonus Issue	123900	4.43		
3	Amit Kaushik	3000	0.21	17.01.2018	Bonus Issue	1800	0.06	4800	0.12

#### iv. Shareholding Pattern of top ten Shareholders (other than Directors promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding at the beginning of the year (14-11-2017)		Date	Increase/Decreases shareholding	Reason	Cumulative Shareholding during the year (14-11-2017 to 31-03-18)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares
1	Beeline Broking Limited	--	--	16.03.2018	6000	Buy	6000	0.15
				23.03.2018	274000	Buy	280000	7.00
				31.03.2018			280000	7.00
2	Beeline Broking Limited	--	--	16.03.2018	64000	Buy	64000	1.60
				23.03.2018	-2000	Sold	62000	1.55
				31.03.2018			62000	1.55
3	EW Clover Scheme	--	--	16.03.2018	52000	Buy	52000	1.30
				31.03.2018			52000	1.30
4	Gaurav Jitendrakumar Shah	--	--	31.03.2018	20000	Buy	20000	0.50
				31.03.2018			20000	0.50
5	Swastika Investmart Limited	--	--	16.03.2018	4000	Buy	4000	0.10
				23.03.2018	6000	Buy	10000	0.25
				31.03.2018			10000	0.25
6	Shishir R. Tejpal	--	--	23.03.2018	6000	Buy	6000	0.15
				31.03.2018			6000	0.15
7	Kantilal Karshanbhai Vaishnani	--	--	31.03.2018	4000	Buy	4000	0.10
				31.03.2018			4000	0.10
8	Harsh Gupta	--	--	16.03.2018	4000	Buy	4000	0.10
				31.03.2018			4000	0.10
9	Binu Soman	--	--	16.03.2018	4000	Buy	4000	0.10
				31.03.2018			4000	0.10
10	Roma Khanna	--	--	16.03.2018	4000	Buy	4000	0.10
				31.03.2018			4000	0.10

**v. Shareholding of Directors and Key Managerial Personne**

S. No	Name of the Shareholder	Shareholding at the beginning of the year as on 14-11-2017		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Aditya Kaushik	1248500	85.78	05.01.2018	Preferential Allotment	118000	7.43	2445600	61.14
				15.01.2018	Preferential Allotment	162000	9.26		
				17.01.2018	Bonus Issue	917100	32.75		
2	Dinesh Kaushik	191900	13.19	05.01.2018	Preferential Allotment	14600	0.92	330400	8.26
				17.01.2018	Bonus Issue	123900	4.43		
3	Amit Kaushik	3000	0.21	17.01.2018	Bonus Issue	1800	0.06	4800	0.12
4.	Anita Kaushik	3000	0.21	17.01.2018	Bonus Issue	1800	0.06	4800	0.12
5.	Mr. Abhimanyu	--	--	--	--	--	--	--	--

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (14-11-2017):				
i) Principal Amount	6317693.37	2200000.00	-	8517693.37
ii) Interest due but not paid	0.00	00.00	-	
iii) Interest accrued but not due	0.00	00.00	-	
Total (i+ii+iii)	6317693.37	2200000.00	-	8517693.37
Change in Indebtedness during the financial year:				
* Addition	0.00	0.00	-	
* Reduction	251494.00	2200000.00	-	
Net Change	251494.00	2200000.00		2451494.00
Indebtedness at the end of the financial year (31.03.2018):				
i) Principal Amount	6066199.37	00.00	-	6066199.37
ii) Interest due but not paid	0.00	0.00	-	
iii) Interest accrued but not due	0.00	0.00	-	
Total (i+ii+iii)	6066199.37	0.00		6066199.37

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director Whole-Time Directors and/or Manager:

S. No	Particulars of Remuneration	Name of MD/WT/Manager			Total Amount
		Aditya Kaushik	Dinesh Kaushik	Anita Kaushik	
1	Gross salary	710000.00	175000.00	200000.00	1285000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
5	Others please specify	-	-	-	-
	<b>Total (A)</b>	<b>710000.00</b>	<b>175000.00</b>	<b>200000.00</b>	<b>1285000.00</b>



B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Akshay Kumar Vats	Bindu Bhardwaj	Udit Chandiok	
1	<b>Independent Directors:</b>				
	Fee for attending board /committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>TOTAL (1)</b>	-	-	-	-
2	<b>Other Non-Executive Directors:</b>				
	Fee for attending board /committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>TOTAL (2)</b>	-	-	-	-
	<b>TOTAL B = (1+2)</b>	-	-	-	-
	<b>TOTAL MANAGERIAL REMUNERATION</b>	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/Whole Time Director

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Amit Kaushik (CEO & CFO)	Abhimanyu (Company Secretary)	
1	Gross salary	710000.00	105000.00	815000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others specify	-	-	-
5	Others please specify	-	-	-
	<b>Total</b>	<b>710000.00</b>	<b>105000.00</b>	<b>815000.00</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made if any (give details)
<b>Penalty</b>	-	-	-	-	-
<b>Punishment</b>	-	-	-	-	-
<b>Compounding</b>	-	-	-	-	-
<b>OTHER OFFICERS IN DEFAULT</b>					
<b>Penalty</b>	-	-	-	-	-

<b>Punishment</b>	-	-	-	-	-
<b>Compounding</b>	-	-	-	-	-

**For and on behalf of the Board  
Inflammé Appliances Limited**

**Sd/-**

**Mr. Aditya Kaushik  
Chairman & Managing Director  
DIN -06790052**

**Sd/-**

**Mr. Dinesh Kaushik  
Whole time Director  
DIN - 07971536**

**Place: Baddi, Solan, Himachal Pradesh.  
Date: 28/08/2018**

### ANNEXURE -III

#### FORM NO. AOC-2

#### (Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: Inflame Appliances Limited has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2017-18.

- i. Name(s) of the related party and nature of relationship: Not Applicable
- ii. Nature of contracts/arrangements/transactions: Not Applicable
- iii. Duration of the contracts / arrangements/transactions: Not Applicable
- iv. Salient terms of the contracts or arrangements or transactions including the value if any: Not Applicable
- v. Justification for entering into such contracts or arrangements or transactions: Not Applicable
- vi. Date(s) of approval by the Board: Not Applicable
- vii. Amount paid as advances if any: Not Applicable
- viii. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (Rs)
Usha Enterprises-Proprietorship Concern of Mr. Dinesh Kaushik (Director)	Job Work: Powder Coating of Pan Supports	NA	NA	5203136
Kaushik Kreation-Proprietorship Concern of Mr. Aditya Kaushik (Director)	Sale of Material: Selling of Pan Supports for Welding	NA	NA	3285151
Ruchi Kauhsik-Related party	Appointed as Employee	NA	NA	200000

For and on behalf of the Board  
Inflame Appliances Limited

Sd/-  
Mr. Aditya Kaushik  
Chairman & Managing Director  
DIN -06790052

Sd/-  
Mr. Dinesh Kaushik  
Whole time Director  
DIN - 07971536

Date: 28/08/2018

Place: Baddi, Solan, Himachal Pradesh.

## ANNEXURE - IV

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2018

*[Pursuant to section 204(1) of the Companies Act 2013 and rule No.9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]*

To.  
The Members  
INFLAME APPLIANCES LIMITED  
Khewat Khatoni No. 45/45 Khasra No. 942/855/1  
Village Kalyanpur Tehsil-Baddi Solan - 173205  
Himachal Pradesh India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Inflammé Appliances Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books papers minute books forms and returns filed and other records maintained by the Company the information provided by the Company its officers agents and authorized representatives during the conduct of secretarial audit the explanations and clarifications given to us and the representations made by the Management I hereby report that in my opinion the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

I have examined the books papers minute books forms and returns filed and other records made available to us and maintained by the Company as per Annexure A for the Financial Year ended on 31<sup>st</sup> March 2018 according to the provisions of:

- (I) The Companies Act 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act'):-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
  - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999; [The Securities and Exchange Board of India (Share based Employee Benefits) Regulations 2014; (Not applicable to the Company during the period)]
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;(Not applicable to the Company during the period)
  - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client

vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;**(Not applicable to the Company during the period)** and The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998;**(Not applicable to the Company during the period)**

(VI) We further report that having regard to the compliance system prevailing in the company and on examination of relevant documents and records in pursuance thereof on test check basis the company has generally complied with other laws identified by the management as applicable specifically to the company broadly covering Laws relating to engineering Industries.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE Ltd. read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015.

During the period under review the Company has generally complied with the provisions of the Act Rules Regulations Guidelines Standards mentioned hereinabove and are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws rules regulations and guidelines. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under the laws and regulations applicable to the Company as referred hereinabove and verification of documents and records on test check basis.

I further report that the compliance by the company of the direct and indirect tax laws has not been reviewed during this audit as the same had been subject to review by the statutory financial audit and other designated professionals.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings were taken unanimously.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws rules regulations and guidelines.

**Place: Chandigarh**  
**Date: 28/08/2018**

**Name of Company Secretary: Kamiya**  
Company Secretary  
**ACS No. 46500**  
**CP. No. 17430**

This report is to be read with our letter of even date which is annexed as Annexure B and forms an integral part of this report.

## ANNEXURE - A

### List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors Audit Committee Nomination & Remuneration Committee Stakeholders' Relationship Committee held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under viz.
  - Register of Directors & KMP
  - Register of Directors' Shareholding
  - Register of loans guarantees and security and acquisition made by the Company
  - Register of Members
  - Periodical BENPOS Registers of Demat/Remat and records made available from RTA
5. Agenda papers relating to the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act 1956 and 184 of the Companies Act 2013.
7. E-Forms filed by the Company from time-to-time under applicable provisions of the Companies Act 1956 and Companies Act 2013 and attachments thereof during the period under report.
8. Intimations/ documents/ reports/ returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the period under report.
9. Communications/ Letters issued to and acknowledgements received from the Independent directors for their appointment
10. Various policies framed by the company from time to time as required under the Companies Act as well as listing agreement/SEBI Regulations.



## **ANNEXURE - B**

To  
The Members  
INFLAME APPLIANCES LIMITED  
Khewat Khatoni No. 45/45 Khasra No. 942/855/1  
Village Kalyanpur Tehsil-Baddi Solan - 173205  
Himachal Pradesh India

Sir

Sub: Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March 2018.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required I have obtained the Management representation about the compliance of laws rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws rules regulations standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place:** Chandigarh  
**Date :** 28/08/2018

**Name of Company Secretary:** Kamiya  
Company Secretary  
**ACS No.** 46500  
**CP. No.** 17430

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of the Company is pleased to present its report on the Industry Scenario including on the Company's performance during the financial year 2017-18.

## 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

### Global Economic Outlook

Global economy is experiencing a broad-based cyclical upturn which is expected to be sustained over the next couple of years although with downside risks. In contrast growth is potential output (full-employment output) is flagging languishing below its long term and pre-crisis average both globally and among emerging market and developing economies. A broad based cyclical global recovery is underway aided by a rebound in investment and trade against the backdrop of benign financing conditions generally accommodative policies improved confidence and the dissipating impact of the earlier commodity price collapse.

World growth strengthened in 2017 to 3.8 percent with a notable rebound in global trade. It was driven by an investment recovery in advanced economies continued strong growth in emerging Asia a notable upswing in emerging Europe and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next supported by strong momentum favorable market sentiment accommodative financial conditions and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve

Over the medium term global growth is projected to decline to about 3.7 percent. Once the cyclical upswing and US fiscal stimulus have run their course prospects for advanced economies remain subdued given their slow potential growth. In emerging market and developing economies in contrast growth will remain close to its 2018–19 level as the gradual recovery in commodity exporters and a projected increase in India's growth provide some offset to China's gradual slowdown and emerging Europe's return to its lower-trend growth rate. Nevertheless 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies failing to narrow income gaps vis-à-vis the group of more prosperous countries.

Despite strong aggregate figures in the baseline forecast and buoyant market sentiment the current momentum is not assured. Upside and downside risks are broadly balanced over the next several quarters but risks farther down the road are skewed to the downside. With still-easy financial conditions and persistently low inflation that has required protracted monetary policy accommodation a potential further buildup of financial vulnerabilities could give way to rapid tightening of global financial conditions denting confidence and growth. The support to growth that comes from procyclical policies including in the United States will eventually need to be reversed. Other risks include a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife.

The current favorable juncture offers a window to enact policies and reforms that protect the upswing and raise medium-term growth to the benefit of all—strengthening the potential for higher and more inclusive growth building buffers that will help deal more effectively with the next downturn improving financial resilience to contain financial market risks and fostering international cooperation.

## RECENT DEVELOPMENTS AND PROSPECTS

### An Investment-Led Pickup in Growth

At 3.8 percent global growth last year was ½ percentage point faster than in 2016 and the strongest since 2011. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year (the highest share of countries experiencing a year-over-year growth pickup since 2010).

The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO) with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies.

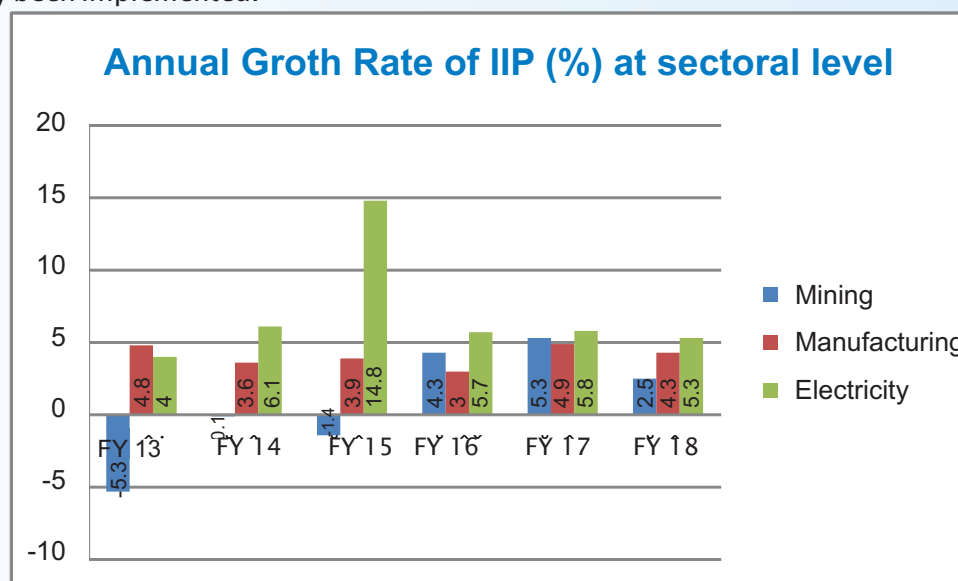
## A Cyclical Rebound in Global Trade

Global trade—which tends to be highly correlated with global investment (see Figure 1.3 and Chapter 2 of the October 2016 WEO)—recovered strongly in 2017 after two years of weakness to an estimated real growth rate of 4.9 percent. The upsurge was more pronounced in emerging market and developing economies (with trade growth rising from 2.2 percent in 2016 to 6.4 percent in 2017) reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand more generally.

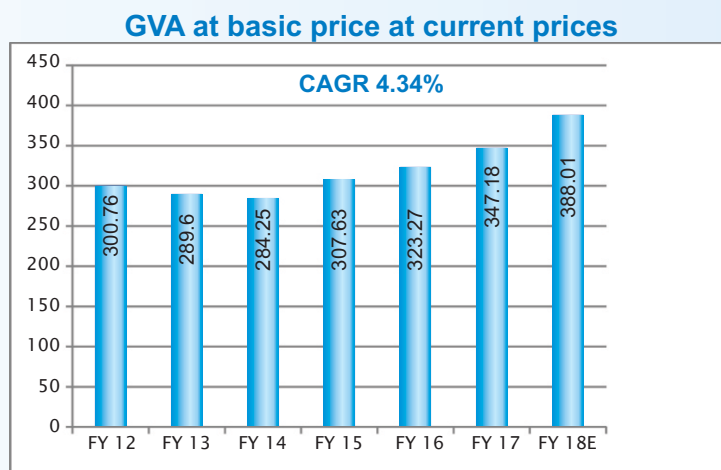
## INDIAN ECONOMY GROWTH RATE & STATISTICS OF MANUFACTURING INDUSTRY

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India Mr. Narendra Modi had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020\*.

- The Index of Industrial Production (IIP) is prepared by the Central Statistics Office to measure the activity happening in three industrial sectors namely Mining Manufacturing and Electricity.
- It is the benchmark index and serves as a proxy to gauge the growth of manufacturing in India since manufacturing alone has a weight of 77.63 per cent in the index.
- The manufacturing component of the IIP recorded 4.4 per cent growth in FY17 and 8.7 per cent in January 2018.
- The production levels are expected to pick up growth again as the Goods and Services Tax (GST) has finally been implemented.



- Indian manufacturing sector's Gross Value Added at basic prices based at current prices is expected at US\$388.01 billion in 2017-18E.
- Manufacturing sector is estimated to have grown at a CAGR of 4.34 per cent between FY12 and FY18.
- The Wholesale Price Index in respect of manufactured goods grew 4.4 per cent 2016-17.
- Quarterly GVA at basic prices from manufacturing sector grew by 10.92 per cent in the third quarter of FY18.



## MARKET SIZE

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Under the Make in India initiative the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022 from 16 per cent and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

## OUTLOOK - GROWTH IN KITCHEN APPLIANCES SECTOR AND COMPANY'S PROSPECTIVE

The Kitchen appliances market grew a healthy doubledigit rate over the last decade driven by various factors such as increasing number of household growing working community expending digital as well as retail industry and middle-class population. The Kitchen appliances industry has traditionally been skewed towards unorganised players while a handful of organised players have dominated major regions and key urban market.

Prime Minister Ujjwala Yojana Scheme (PMUY Scheme) the Government of India continued the support in the wake of huge response to PMUY from the women particularly in rural areas and to cover such households not having LPG connection. The Scheme continued this financial year 2018-19 with expansion of additional allocation of fund by the Government. Your Company was an enthusiastic participant in this Scheme.

Apart from the above Institutional Sales also continued with Oil Companies (such as Indian Oil BPCL HPCL etc.) in developing gas stoves (especially for the marginalised section) that were more fuel efficient.

## SUMMARY OF OUR BUSINESS

Our Company was incorporated in the year 2017 by conversion of Partnership firm "M/s. Techno Engineering Corpn." into the Company as "Inflame Appliances Limited" under the provision of Companies Act. Our Company is engaged in manufacturing of LPG Gas Stove/cooktops and Sheet Metal Components. Our manufacturing facilities is situated in State of Himachal Pradesh at Khewat Khatoni No. 45/45 Khasra No. 942/855/1 Village Kalyanpur Tehsil-Baddi Solan -173205 Himachal Pradesh. Inflame Appliances Limited is an IS 4246:2002 certified company and engaged in manufacturing of LPG Gas Stove/ Cooktops in various range like Gas Stove in Sheet Metal Gas Stove with Toughed Glass (Optional Auto Ignition) with range of 4 Burners/ 3 Burners/ 2 Burners and Sheet Metal Components for captive consumption in the state of Himachal Pradesh.

Additionally our Company has Marketing agreements with Indian Oil Corporation Limited to market sell distribute and promote of LPG Stoves through Indane Distributors to domestic Indane Customers. This



arrangement can be renewed for a further period on mutual consent subject to our Company achieving the expected milestones as referred under the Market agreement. We have also made marketing arrangement with HPCL and BPCL for selling our products to their distributors and customers. Since the past two (2) years the focus of our Company has been in developing innovative product range under the brand "Inflame"; entering into arrangements with distributors; tie-up with suppliers; and recruiting a sales team which gives us a launch pad to take us forward. The company is also manufacturing the Glass top LPG Stove in 2/3/4 burner in premium ranges for brands like "Hindware" and "Avaante".

Our development process includes design development testing manufacturing and delivery. Our progressive management and cutting edge production technology contribute to our ability to provide our customers with exceptional value in a highly competitive industry. Also our manufacturing facilities are equipped with modern infrastructure and sophisticated machines backed by untiring efforts in the field of research & development and high quality consciousness.

All these steps coupled with the combined experience of the promoters and management forms the key strengths of the Company thus laying a strong foundation for sustained growth into the future. The management team comprises promoters with 'hands on' experience for four decades and senior professionals who possess vast experience in the kitchen appliances industry. They have witnessed multiple business cycles and have ably steered the Company through challenging market trends. A mix of promoter family and professionals in the leadership team provides the best of both worlds. Family representation offers a strong sense of dedication and direction for ensuring continued success while professionals offer functional expertise and ensure adoption of best business practices in corporate governance.

## **SALIENT FEATURES OF OUR PRODUCTS**

The process involves sheet metal pressing work and welding of the sheet metal. The First Raw Material is used for making the stoves is stainless steel/mild steel sheets/coils and after that we make different parts of the sheet by using the machines. We procure many child parts from the suppliers. These parts are procured and received in factory. After receiving these part firstly our Quality Control department inspects these material. After inspection the material quality department segregate the best quality material and after approval of the quality of material these material are stored at a specific location. The assembly of stoves takes place on assembly lines. We have two assembly lines one each for glass cook tops and one for stainless steel cook tops. The assembly procedures are defined and instructions displayed on the work stations. After the assembly of the material once product is ready it is tested for gas leakage flame of burners and requisite test as per ISI. Thereafter Product is packed in boxes and delivered to our dispatch department after checking of all packing our department send them for dispatches to various distributors and buyers.

We place significant emphasis on providing quality products. To this end we strive to maintain quality standards at all our manufacturing products. Quality management plays an essential role in determining and meeting customer requirements preventing defects and improving our products. We have a network of quality systems throughout our business which relate to the design development manufacturing packaging and distribution of our products. To assess and facilitate compliance with applicable requirements of ISI products sold and manufactured under the brand "Inflame" we regularly review our quality systems to determine their effectiveness and identify areas for improvement. Inflame Appliances Limited is an IS 4246:2002 certified company.

## **OUR COMPETITIVE STRENGTHS**

We believe that the following are our primary competitive strength:

### **Quality of our Products**

Our strength lies in understanding the requirement of the customer and our execution capabilities. This has enabled us to get repeat orders from our existing customers and attract new customers we believe that the intricacies of our designs and quality of our products' finish enables us to get better margins on the products manufactured by us.

## Cost efficient sourcing and locational advantage

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. With our experience we are able to timely procurement of raw materials and we are also able to source these materials at a competitive price. The location of our current manufacturing facilities gives us a significant competitive cost advantage in terms of raw material sourcing manufacturing and labour costs.

The key raw materials for the manufacture of our products are various types of Brass Burner Brass gas Valve MS Pipe and Aluminum Mixing Tube Toughened Glass Pan Support Rings and Various Rubber Components which are available in neighboring states which results in lower logistic costs. Our manufacturing units are located in states we believe offers potential market for our products thus reducing the logistical costs associated with delivery. The strategic location helps to market the product in the neighboring States and also exports to foreign countries.

## Proven and experienced management team

Our Promoter has around vast experience in the industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing capacities finance sales business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to introduce new products to capitalize on the growth opportunities in the Kitchen Appliances Industry. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of cutting-edge technology results in growing capacities and rising production levels with better cost management and enhanced process efficiency has translated into our quality product increasing profitability and improved margins which gives us a competitive edge.

## Research and Development

Right from the beginning our Company has believed in research and development which has benefited our company to lay a technical foundation and the capability that allows the Company to offer customized solutions to the customers. A facilitated design and research and development department enables a continuous study of the customer feedback and related technology to make the necessary upgradation. In house facilities for designing and delivering world class products along with infrastructure to manufacture most of Gas Stove and sheet metal components make us the most desirable manufacturer in the country.

## Extensive Distribution Network

Our distribution network ensures our product availability to our customers translating into efficient supply chain focused customer service and short turnaround times for product delivery. Our dealer base is supported by an efficient sub dealer and distribution network and sales team leading the products to retail outlets and making our products available on the shelf across most places at all times thereby reducing dealer stock levels and increased annual sales per dealer.

## OUR BUSINESS STRATEGY

### Quality Assurance

We will continue to maintain quality of our existing product portfolio to cater to various customer and price segments in the Cooking Appliances Market. We endeavor to maintain the quality of our products and follow strict procedures to ensure quality control timely delivery and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees which will help to increase the sales of the Company and retain customers.



## To build-up a professional Organization

We believe in transparency commitment and coordination in our work with our suppliers customers government authorities banks financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

## Development of new product for both domestic and overseas markets

Our Company is continuously looking out for improvements in our regular products and developing new products for the domestic and overseas markets. We have introduced various new products in the past and we are now in the process of introducing new products like Range Hoods Glass Hobs and other Cooking Ranges. These products will further enhance our Company's product portfolio to be offered to our customers. We would be creating a separate division to create an overseas market for its products.

## Optimal Utilization of Resources

Our Company constantly endeavors to improve our manufacturing process to optimize the utilization of resources. We have invested significant resources and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

## 2 OPPORTUNITIES

Kitchen appliances is amongst the fastest growing sectors in India. Being an essential it has enjoyed growth patronage from the Government of India. In one of the recently announced landmark decisions of the Government the Prime Minister Ujjwala Yojana Scheme (PMUY Scheme) scheme targeted distribution of 8 Crore gas stoves for People falling Below Poverty Line Group income Group. The commendable primary objective of this scheme was to help the under privileged sections to move away from wood as the primary source of fuel. Your company was an enthusiastic participant in this scheme. Our company has also been part of PRIME MINISTER UJJWALA YOJANA (PMUY) launched by the Central Govt. of India for providing 5 Crore new gas connection to the people below poverty line in the country. This PMUY has created a huge demand for LPG gas stoves which helped our company to achieve higher growth. The scheme is now being extended to other poor class of the country and name of the scheme is UJJAWALA PLUS which would offer another 3 crore new connections.

Additionally, our Company has Marketing agreements with Indian Oil Corporation Limited to market sell distribute and promote of LPG Stoves through Indane Distributors to domestic Indane Customers. This arrangement can be renewed for a further period on mutual consent subject to our Company achieving the expected milestones as referred under the Market agreement. We have also made marketing arrangement with HPCL and BPCL for selling our products to their distributors and customers.

Urban customers are now considering appliances as lifestyle products and are open to pay increased prices for products that are ergonomically designed and offer multiple features. Positive trends in demographics have further helped to enhance growth. Factors such as the increasing number of nuclear families have led to a rise in the volumes of appliances sold.

## 3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Inflame Appliances Limited is an IS 4246:2002 certified company and engaged in manufacturing of LPG Gas Stove/ Cooktops in various range like Gas Stove in Sheet Metal Gas Stove with Toughed Glass (Optional Auto Ignition) with range of 4 Burners/ 3 Burners/ 2 Burners and Sheet Metal Components for captive consumption in the state of Himachal Pradesh. our company's total sales of amounting Rs. 32.12 Crores.

Inflame is having kind of latest machineries tools skilled man power handling equipment and various in house facilities for smooth operation and quality product. We have developed a sound infrastructure base that is subject to regular upgradation based on technology and working systems.

## 4. OUTLOOK

We believe the Company has a great deal of opportunities for future growth. There is enormous untapped potential across our established brand equity target geographies and diversified product portfolio and we continue to take several steps towards capitalizing on these growth drivers.

Our vision is being directed towards the innovation of products further complimented by improved packaging. We believe continual improvement in our business ways will help further increase efficiency and agility of brand 'Inflame'.

The Company also continues to converge on improving business capabilities and enhancing growth levers. Improved R&D capabilities enhanced retail format expansion design abilities and better inventory management amongst others will help reinforce our competitive advantages.

## 5. THREATS RISK AND CONCERNS

The industry is highly fragmented in the hands of several organized and unorganized players. Due to the attractiveness of the opportunity and large potential competition across the Kitchen appliances industry in India is rising significantly. International companies that foray into the kitchen appliances space through mergers acquisitions and joint ventures have further intensified the competition in this space.

Several competitors who are attracted to the growth and returns offered by this industry have emerged. These companies have short term agendas and are sourcing lower value/substandard quality products from China and participating in the Indian markets through unsustainable practices. This can cause temporary distortions in prices and demand especially to long-term players who are focused on quality

The Company is concerned about prevailing exposure norms financial position entry of new players in the market rising competition from banks & multilateral agencies uncertain business environment fluctuation in rupee likely increase in cost of capital due to volatile market conditions. Further the state of business and policy environment in the country also has a cascading effect on the interest-rate regime cost and availability of raw materials and gestation period & capital outlays required for raw material. General economic conditions may also affect the capacity and production of the manufacturing of the products.

## 6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company maintains an adequate system of Internal Controls including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions efficiency of operations and compliance with statutory laws regulations and Company policies. Suitable delegation of powers and guidelines for accounting have been issued for uniform compliance. In order to ensure that adequate checks and balances are in place and internal control systems are in order regular and exhaustive Internal Audit of Office/plant are conducted by the in-house Internal Audit Division and external professional audit firm. The Internal Audit covers all major areas of operations including identified critical/risk areas as per the Annual Internal Audit Programme. The Audit Committee of Directors periodically reviews the significant findings of different Audits as prescribed in the

## 7. FINANCIAL AND OPERATIONAL PERFORMANCE

The Company Inflame Appliances Limited was incorporated by way on Conversion of erstwhile Partnership Firm Techno Engineering Corpn. Company's performance during the Financial Year 2017-18 was partly in the name of Techno Engineering Corpn. and partly in the name of Inflame Appliances Limited.

Revenue from the operations was Rs. 23.12 Crores in the name of Techno Engineering Corpn. & Rs. 8.99 Crores in the name of Inflame Appliances Limited. Aggregating a total of Rs. 32.12 Crores 77.85 % higher than Rs. 18.05 Crores in the previous year.

The years 2017-18 is one of great year of your Company with crossing the new target in terms of turnover and in term of order receive from various client which will boost our turnover and profit in coming years. Companies Act 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

## 8. HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company gives utmost importance to the capacity-building and well-being of its employees. The Industrial Relations in the Company continued to be on a cordial note. There are regular interactions between the management and the representative-associations on issues pertaining to employee welfare. The Company has an atmosphere of trust and cooperation which results in a motivated work force and consistent growth in the performance.

### Cautionary Note

Certain statements in “Management Discussion and Analysis” section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results which could be different from what the Management envisages in terms of future performance and outlook.

# REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a systematic continuous process by which companies are directed and controlled to enhance their wealth generating capacity and long term success. It is a key element to carry on business operations based on the underlying principles of integrity ethics transparency and accountability. Over the last few decades corporate governance is getting ever increasing importance across the globe. Systems and policies are required to be upgraded regularly to meet the challenges of rapid growth in a dynamic business environment.

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance revolves around principles of ethical governance and is aimed at conducting of business in an efficient and transparent manner and in meeting its obligations to stakeholders. Your Company beholds Corporate Governance measures as an integral part of business strategy which adds to considerable internal and external values and contributes to the business growth in ethical perspective. Your Company believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

Our Corporate governance framework has helped us be aligned with the new guidelines of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"). We believe that an active well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financial performance and governance of the Company. Your Company has complied with the requirements of Corporate Governance as laid down under regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations as applicable with regard to corporate governance.

## 2. BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance objective judgment and at the same time monitors the strategic direction of the Company. The Company is headed by an Executive Chairman.

### (A) Composition of the Board

The composition of the Board of the Company as on March 3, 2018 as mentioned below was in compliance of Listing Regulations Companies Act 2013 read with Rules made thereunder:

S. No.	Name of Director	Director Identification Number (DIN)	Position
<b>Whole Time Directors (Executive Directors)</b>			
1.	Mr. Aditya Kaushik	06790052	Chairman & Managing Director
2.	Mr. Dinesh Kaushik	07971536	Whole Time Director
3.	Mrs. Anita Kaushik	07971788	Whole Time Director
<b>Non-Executive Directors</b>			
1.	Mr. Akshay Kumar Vats	08020018	Independent Director
2.	Dr. Bindu Bhardwaj	07550833	Independent Director
3.	Mr. Udit Chandio	08020035	Independent Director

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.



## (A) Other provisions as to Board and its Committees

### (i) Details of Board Meetings held during the financial year 2017-18

The Company follows a methodized process of decision-making by the Board and its Committees. The meeting dates are usually finalized in consultation with all Directors in order to ensure presence of all Board Members in its Meetings. All the Agenda and Explanatory Notes are normally sent to the Directors well in advance for the Meetings of the Board and Committees thereof. To address specific urgent business needs sometimes meetings are also called at shorter notice in compliance of the applicable statutory provisions and utmost efforts are made to adhere to the minimum notice period.

During the financial year 2017-18 Nine (9) Meetings of Board of Directors of the Company were held on (i) November 15, 2017 (ii) December 11, 2017 (iii) January 05, 2018 (iv) January 15, 2018 (v) January 17, 2018 (vi) January 20, 2018 (vii) February 05, 2018 (viii) February 23, 2018 and (ix) March 14, 2018.

The gap between any two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

### (ii) Information placed before the Board of Directors

The Board has complete access to all the information available within the Company. During the year 2017-18 information as mentioned in Schedule II Part A of the SEBI Listing Regulations has been placed before the Board for its consideration. The information regularly provided to the Board inter-alia includes:

- (a) Annual operating plans and budgets and any updates.
- (b) Half Yearly and Annual Financial Results and Board's Report etc.
- (c) All Related Party transactions.
- (d) Minutes of Meetings of Audit Committee and other committees of the Board.
- (e) The information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and Company Secretary.
- (f) Show cause demand prosecution notices and penalty notices if any which are materially important.
- (g) Fatal or serious accidents dangerous occurrences any material effluent or pollution problems if any.
- (h) Any material default in financial obligations to and by the listed entity or substantial non-payment for goods sold by the listed entity.
- (i) Any issue which involves possible public or product liability claims of substantial nature including any judgement or order which may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- (j) Details of any joint venture or collaboration agreement.
- (k) Transactions that involve substantial payment towards goodwill brand equity or intellectual property.
- (l) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement implementation of Voluntary Retirement Scheme etc.
- (m) Sale of investments subsidiaries assets which are material in nature and not in normal course of business.
- (n) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement if material.
- (o) Non-compliance of any regulatory statutory or listing requirements and shareholders service such as non-payment of dividend delay in share transfer etc.
- (p) Quarterly Report on Reconciliation of Share Capital Audit and status of Investor Grievances.
- (q) Any other information required to be presented to the Board for information or approval.

**(iii) Details of Directors' attendance at Board Meetings and AGM held during the financial year 2017-18 number of other Directorships/Committee Memberships:**

The names and their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2018 are given herein below. Other directorships do not include directorships of private limited companies foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.

S. N o	Name of the Director	Board Meetings			Whe t h e r a t t e n d e d l a s t A G M	As on March 31 2018		
		Held dur ing the year	Att end ed	% of Attendanc e		No. of other Directorshi ps	No. of Committee Memberships	
							As Chairma n	As Membe r
1.	Mr. Aditya Kaushik	9	9	100	N.A.*	Nil	Nil	Nil
2.	Mr. Dinesh Kaushik	9	9	100		Nil	Nil	Nil
3.	Mrs. Anita Kaushik	9	9	100		Nil	Nil	Nil
4.	Mr. Akshay Kumar Vats	7	7	100		Nil	Nil	Nil
5.	Dr. Bindu Bhardwaj	7	7	100		Nil	Nil	Nil
6.	Mr. Udit Chandiok	7	7	100		Nil	Nil	Nil

\*Company was incorporated on November 14, 2017.

**Notes:**

- (1) The number of other directorships excludes directorships held in Private Limited Companies Foreign Companies and that of the Company.
- (2) This includes the Chairmanship/Membership only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted public limited companies.
- (3) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2018 have been made by the Directors.

### 3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board functions either as full Board or through various Committees constituted to oversee specific operational areas. Each Committee of the Board is guided by its terms of reference which defines the composition scope and powers of the Committee. The Committees meet at regular intervals and focus on specific areas and make informed decisions within the authority delegated to them. As on March 31, 2018 the Board had the following committees:

1. **Audit Committee;**
2. **Nomination and Remuneration Committee; and**
3. **Stakeholders Relationship Committee.**

#### 3.1 AUDIT COMMITTEE

The audit committee of the Company is constituted during the year under review in line with the provisions of Regulation 18 of SEBI Listing Regulations read with Section 177 of the Act. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes. During the financial year 2017-18 the composition and attendance of members of the Audit Committee was as under:



S.No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM.
			Held during the year	attended	percentage of attendance	
1.	Mr. Akshay Kumar Vats	Chairman	1	1	100	N.A.
2.	Dr. Bindu Bhardwaj	Member	1	1	100	
3.	Mr. Aditya Kaushik	Member	1	1	100	

The quorum for Audit Committee meeting shall either be two members or one third of the members of the Audit Committee whichever is greater with at least two Independent Directors. The Secretary of the Company acts as a Secretary to the Committee

### Role of the Audit Committee:

- (i). Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct sufficient and credible;
- (ii). Recommendation for appointment remuneration and terms of appointment of auditors of the Company;
- (iii). Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv). Reviewing with the management the annual financial statements and auditors' report thereon before submission to the board for approval with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - Changes if any in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- (v). Reviewing with the management the quarterly & half yearly financial statements before submission to the board for approval;
- (vi). Reviewing with the management the statement of uses/ application of funds raised through an issue (public issue rights issue preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- (vii). Review and monitor the auditors' independence and performance and effectiveness of audit process;

- (i). Review and monitor the auditors' independence and performance and effectiveness of audit process;
- (ii). Approval or any subsequent modification of transactions of the Company with related parties;
- (iii). Scrutiny of inter-corporate loans and investments;
- (iv). Examination of the financial statement and the auditors' report thereon;
- (v). Evaluation of internal financial controls and risk management systems;
- (vi). Establish a vigil mechanism for directors and employees to report genuine concerns in
- (vii). Such manner as may be prescribed;
- (viii). The audit committee may call for the comments of the auditors about internal control systems the scope of audit including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- (ix). The audit committee shall review the information required as per SEBI Listing Regulations.
- (x). The audit committee invites such of the executives as it considers appropriate (particularly the head of the finance function) representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.

During the financial year 2017-18 One (1) meeting of the Audit Committee were held on March 28 2018.

### 3.2 NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration of the Company is constituted during the year under review in line with the provisions of Regulation 19 of SEBI Listing Regulations read with Section 178 of the Act.

As on March 31, 2018 the composition of the Nomination and Remuneration Committee was as under:

S. No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM
			Held during the year	attended	percentage of attendance	
1.	Dr. Bindu Bhardwaj	Chairman	1	1	100	N.A.
2.	Mr. Udit Chandiok	Member	1	1	100	
3.	Mr. Akshay Kumar Vats	Member	1	1	100	

Quorum of the Nomination and Remuneration Committee Meeting is two members including Chairman of the Committee. During the financial year 2017-18 One (1) meeting of the Committee was held on March 28, 2018.

### The roles and responsibilities of the Committee include the following:

- Formulate the criteria for determining qualifications positive attributes and independence of a Director.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down recommend to the Board for their appointment and removal.
- To formulate the criteria for determining qualifications positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors key managerial personnel and other employees.
- To devise a policy on Board diversity.
- To ensure that remuneration to Directors Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- Considering approving and recommending to the Board changes in designation and increase in salary of the Directors KMP and other employees.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification amendment or modification as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## Remuneration Policy:

Pursuant to the requirement of Section 134(3)(e) and Section 178(3) of the Companies Act 2013 the Board has on the recommendation of the Nomination and Remuneration Committee framed a policy on appointment of Directors including criteria for determining qualifications positive attributes independence of a Director and the policy on remuneration of Directors KMP and other senior management. Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract retain and motivate employees to achieve results. Our Business Model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to applicable rules and regulation.

The Company pays remuneration by way of salary benefits perquisites and allowances and commission if approved by the Board to its Managing Director and the Whole Time Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective April 1 each year. The Nomination and Remuneration Committee decides on the commission payable to the Managing Director and the Whole Time Directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director and each Whole Time Director.

### Managerial Remuneration:

#### a. Remuneration of Chairman & Managing Director and Whole Time Director

The details of remuneration paid to Chairman & Whole Time Director Managing Director and Whole Time Directors of the Company for the financial year 2017-18 are as under:

Particulars	(Amt in Rs.)		
	Mr. Aditya Kaushik	Mr. Dinesh Kaushik	Mrs. Anita Kaushik
Salary	710000.00	175000.00	200000.00
Contribution to PF & Other Funds	-	-	-
Professional Tax	-	-	-
<b>Total</b>	<b>710000.00</b>	<b>175000.00</b>	<b>200000.00</b>

**b. Non-Executive Independent Directors (NEIDs):**

During the year the NEIDs were neither paid any remuneration nor granted any loans or advances. A Non-Executive Director will be eligible for sitting fees for each meeting of the Board attended by him/her of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules 2014. A Non-Executive Director is also eligible for reimbursement the expenses incurred by him for attending the Board and / or Committee of Board meetings there are no materially significant related party transactions pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the year ended on March 31, 2018.

The details of sitting fees paid to the Non-Executive Directors during the financial year 2017-18 are given below:

Sr. No.	Name of Non-Executive Director	Sitting Fees (in Rs.)
1	Mr. Akshay Kumar Vats	-
2	Dr. Bindu Bhardwaj	-
3	Mr. Udit Chandiok	-

**c. Details of shares of the Company held by the Directors as on March 31, 2018 are given below:**

Sr. No.	Name of the Director	No. of Equity Shares held
1	Mr. Aditya Kaushik	2445600
2	Mr. Dinesh Kaushik	330400
3	Mrs. Anita Kaushik	4800
4	Mr. Akshay Kumar Vats	Nil
5	Dr. Bindu Bhardwaj	Nil
6	Mr. Udit Chandiok	Nil

**3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Company has constituted a Stakeholders Relationship Committee in terms of the provisions of the Companies Act 2013 Listing Regulations and other applicable laws. This Committee specifically looks into the redressal of complaints from various security holders such as shareholders such as non-receipt of dividend credit/ warrants annual report transfer of shares issue of duplicate share matters connected with transfer transmission rematerialization dematerialization splitting and consolidation of securities issued by the Company.

As on March 31, 2018 the composition of the Stakeholders Relationship Committee was as under:

S. No.	Name of Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM
			Held during the year	attended	percentage of attendance	
1.	Dr. Bindu Bhardwaj	Chairman	1	1	100	N.A.
2.	Mr. Udit Chandiok	Member	1	1	100	
3.	Mr. Aditya Kaushik	Member	1	1	100	

The quorum of meeting of the Stakeholders Relationship Committee is two members including the Chairman of the Committee. During the financial year 2017-18 One (1) meeting of the stakeholders' relationship committee were held during the year on March 28, 2018.

## Status of Shareholders/Investors Grievances

The Company has been attending to all investor grievances/complaints expeditiously and promptly to the satisfaction of stakeholder(s). The status of Shareholders/ Investors Grievances pursuant to Regulation 13(3) of Listing Regulations for the financial year 2017-18 is as follows:

Particulars	Number of Complaints
Pending at the beginning of the financial year	Nil
Received during the financial year	Nil
Disposed during the financial year	Nil
Remaining unresolved as on March 31 2018	Nil

### Name designation and address of Compliance Officer:

#### Mr. Abhimanyu Company Secretary & Compliance Officer

#### Inflame Appliance Limited

Khewat Khatoni No. 45/45 Khasra No. 942/855/1

Village Kalyanpur Tehsil-Baddi Solan - 173205

Himachal Pradesh India.

Tel. No. +91-1795-246820

E-mail: cs@inflamméindia.com

Website: www.inflamméindia.com

## 4. GENERAL BODY MEETING:

### (a) Annual General Meetings (AGM):

The date and time of Annual General Meetings held during last three years and the special resolution(s) passed thereat are given below:

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolutions passed
N.A.*					

\*Company was incorporated on November 14, 2017 So there is no AGM held since from incorporation of the Company.

### (b) Extra ordinary General Meetings (EGM):

Day Date and Time of EGM	Venue	Special Resolutions passed
Friday January 05, 2018 at 10.00 A.M.	Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur, Tehsil-Baddi, Solan, - 173205, Himachal Pradesh, India	Yes
Monday January 17, 2018 at 11.00 A.M.	Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur, Tehsil-Baddi, Solan - 173205, Himachal Pradesh, India	Yes

### (c) Resolutions Passed Though Postal Ballot:

During the financial year ended March 31, 2018 No Special Resolution was passed through postal ballot and as on the date of this Report there is no special resolution proposed to be conducted through postal ballot.



## 5. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

The Companies Act 2013 permits companies to send documents like Notice of Annual General Meeting Annual Report and other documents through electronic means to its members at their registered email addresses besides sending the same in physical form.

As a responsible Corporate Citizen your Company has actively supported the paper less initiative and digitalization move and effected electronic delivery of Notice and Annual Report and other documents to those shareholders whose email ids were registered with the respective Depository Participants (DPs). The intimation of Interim/ Final Dividend paid are also being sent electronically to those shareholders whose email ids were registered.

Members who have not registered their e-mail addresses so far are requested to register their e-mail address with their Depository Participant (DP) or with the Registrar and Share Transfer Agent (R&TA) of the Company for receiving communications in electronic form.

Further the Agenda and Explanatory Notes of all the Meetings of the Board and Committees thereof of Company are being sent to Directors through electronic means under a secured platform to enable them to access the Agenda papers without any hassle.

## 6. SECRETARIAL AUDIT

Ms. Kamiya Practicing Company Secretaries Jaipur has conducted Secretarial Audit for the financial year 2017-18 and have submitted their report to the Company. A copy of Secretarial Audit Report is set out elsewhere in this Annual Report for information of the shareholders.

## 7. RELATED PARTY TRANSACTION:

The Company has formulated a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as per provisions of Listing Regulations and the same is available on the website of the Company on the following link: [http://www.inflameindia.com/downloads/Policy\\_on\\_related\\_party\\_transactions.pdf](http://www.inflameindia.com/downloads/Policy_on_related_party_transactions.pdf).

[http://inflameindia.com/downloads/Policy\\_on\\_related\\_party\\_transactions.pdf](http://inflameindia.com/downloads/Policy_on_related_party_transactions.pdf).

In line with the said Policy all the Related Party Transactions were approved by the Audit Committee and/ or by the Board of Directors as the case may be. The transactions with related parties are included in the Notes to the Accounts as per Accounting Standard-18 and other applicable provisions of Companies Act 2013. Further a status report on Related Party transactions is put up for information of Audit Committee and Board of Directors on quarterly basis. The particulars of Related Party Transactions are given in form AOC-2 annexed to the Board's Report.

## 8. RECONCILIATION OF SHARE CAPITAL AUDIT:

A qualified practicing Company Secretary or Chartered Accountant carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

## 9. DISCLOSURES

- I. The Company has complied with all the requirements of Listing Regulations the Companies Act 2013 Secretarial Standards.



- i. The Company has not entered into any material financial or commercial transactions with the Director(s) or the Management or their relatives or the companies and firms etc. in which they are either directly or through their relatives interested as Directors and/ or Partners.
- ii. The Company affirms that a Whistle Blower Policy/ Vigil Mechanism is in place and no person has been denied access to the Competent Authority.
- iii. A separate meeting of Independent Directors was held on March 28, 2018 in compliance of Companies Act 2013 Listing Regulations.

## 10. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors of the Company had approved and adopted “Code of Business Conduct and Ethics for Board Members and Senior Management” in line with Companies Act 2013 and Listing Regulations and adopted in supersession of the earlier Code of Conduct.

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors Key Managerial Personnel and Members of Senior management of the Company. It has been laid down in alignment with Company's mission and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Business Conduct and Ethics is available on the website of the Company at [http://inflamméindia.com/downloads/Code\\_Of\\_Business\\_Conduct\\_Ethics.pdf](http://inflamméindia.com/downloads/Code_Of_Business_Conduct_Ethics.pdf).

## 11. CODE FOR PREVENTION OF INSIDER TRADING IN EQUITY SHARES/SECURITIES

In terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 the Company has formulated a comprehensive Code for Prevention of Insider Trading in Inflammé Equity Shares/ Securities (“Code”) to preserve the confidentiality and to prevent misuse of unpublished price sensitive information. The main objective of the Code is to restrain an insider of the Company to derive any benefit or assist others to derive any benefit from the access and possession of unpublished price sensitive information about the Company which is not in the public domain.

The Code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares/ securities of the Company and the consequences of non-compliance. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence of the said Code.

In line with the requirement of the said Code whenever some unpublished price sensitive information is submitted to the Board for consideration and approval the trading window is being closed from time to time. Notice of the closure of trading window is issued to designated employees and concerned persons well in advance and proper announcements are also made on the website of the Company as well as to Stock Exchanges where the shares of the Company are listed restraining them from dealing in securities of the Company when the window is closed.

## 12. MEANS OF COMMUNICATION:

The Company recognizes the rights of shareholders & communications as key elements of the overall Corporate Governance framework and therefore emphasizes on continuous efficient and relevant communication with shareholders and other stakeholders.

A dedicated Investor Relations Cell has been set up in the Company for interaction with the analysts and providing timely information and to hold analyst meetings in order to keep the investors updated about the matters related to the Company and to develop an appropriate feedback system that directs the information flow and communication between the management and investors. The Company communicates with its shareholders through its Annual Reports General Meetings and disclosures on its website and through Stock Exchanges.

The Company's website ([www.inflameindia.com](http://www.inflameindia.com)) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

The Annual Report containing inter alia Audited Financial Statement Board's Report Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website. The main channel of communication to the shareholders is through Annual Report.

The Annual General Meeting is a platform for face-to-face communication with the shareholders where the Chairman Managing/Whole Time Director makes presentation on the performance operating and financial results of the Company. The Chairman Managing/Whole Time Director and other Key Managerial Personnel also respond to the specific queries of the shareholders.

As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices Annual Report ECS advices for dividends etc. were sent to the shareholders at their email address as registered with their Depository Participants/ Company/ RTA. This helped in prompt delivery of document reduce paper consumption save trees and avoid loss of documents in transit.

The Company also intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on such matters wherever necessary.

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern media releases among others are also filed electronically on the Listing Centre.

### 13. CEO/CFO CERTIFICATION

As required under Schedule II – Part B of Regulation 17 (8) of the Listing Regulations a Certificate on financial reporting and internal controls to the Board duly signed by CEO and CFO was placed before the Board of Directors in its Board Meeting held on August 28, 2018 while considering the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2018.

### 14. GENERAL SHAREHOLDER INFORMATION

#### i. Company Registration Details:

The Company is registered in the State of Himachal Pradesh India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U74999HP2017PLC006778.

#### ii. Annual General Meeting:

<b>Date &amp; Time</b>	Friday September 28, 2018 at 11.00 A.M
<b>Venue</b>	Inflame Appliances Limited Hotel Le Mariet, 9th K.M. Milestone, Baddi-Nalagarh Road, NH 21-A, Kishanpura Nalagarh, Himachal Pradesh- 174101, India.

As required under Regulation 36(3) of the SEBI Listing Regulations particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM to be held on September 28, 2018.

#### iii. Financial Calendar:

<b>Year ending</b>	March 31
<b>AGM in</b>	September
<b>Dividend Payment</b>	NA

- iv. **Date of Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Saturday September 22, 2018 to Friday September 28, 2018 (Both days inclusive).

- v. **Listing on Stock Exchanges:** In flame shares is listed on the following Stock Exchange:

Name & Address	Telephone / Fax / E-mail ID / Website	Scrip Code
<b>BSE Limited (BSE SME)</b> <b>25<sup>th</sup> Floor Phiroze</b> <b>Jeejeebhoy Towers Dalal</b> <b>Street Fort</b> <b>Mumbai-400 001.</b>	Telephone: (022) 22721233/4 Fax: (022) 22721919 E-mail ID: <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a> Website: <a href="http://www.bseindia.com">www.bseindia.com</a>	541083

- vi. **Dividend Policy:** Dividends other than interim dividend(s) are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors. Generally the factors that may be considered by the Board of Directors before making any recommendations for dividend include without limitation the Company's future expansion plans and capital requirements profits earned during the fiscal year cost of raising funds from alternate sources liquidity position applicable taxes including tax on dividend as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.
- vii. **Market Price Data:** The closing market price of equity shares on 31<sup>st</sup> March, 2018 (last trading day of the year) was Rs. 53.35 on BSE. The monthly movement of equity share prices for the last year at BSE is summarized as herein below:

Month	High Price	Low Price	No. of Equity Shares Traded
March, 2018	53.35	43.35	328000

- viii. **Registrars and Transfer Agents: Name and Address are as under:**

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED  
D-153A 1st Floor Okhla Industrial Area Phase-I  
New Delhi - 110020 India  
Tel No.: +91 11 64732681-88  
Fax No.: +91 11 26292682  
Email: [viren@skylinerta.com](mailto:viren@skylinerta.com)  
Investor Grievance Email: [grievances@skylinerta.com](mailto:grievances@skylinerta.com)  
Website: [www.skylinerta.com](http://www.skylinerta.com)

- ix. **Share Transfer System:** 100.00% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company.

- x. **Shareholding as on March 31, 2018:**  
**Distribution of equity shareholding as on March 31, 2018:**

**Distribution of equity shareholding as on March 31 2018:**

No. of equity shares held	No. of shareholders	% of shareholders	Total Amount	% of Amount
Up To 5000	0	0	0	0
5001 To 10000	0	0	0	0

10001 To 20000	369	94.86	7380000	18.45
20001 To 30000	0	0	0	0
30001 To 40000	8	2.06	320000	0.8
40001 To 50000	5	1.29	240000	0.6
50001 To 100000	2	0.51	160000	0.4
100000 and Above	5	1.29	31900000	79.75
<b>TOTAL</b>	<b>389</b>	<b>100</b>	<b>40000000</b>	<b>100.00</b>

**By category of shareholders:**

S. No.	Category	No. of Shareholders	No. of Shares held	% of Shareholding
1.	Promoters	7	2800000	70.00%
2.	Central Government/ State Government(s)/ President of India	-	-	-
3.	Non-Institutions			
	[a(i)] Individuals- (i) Individual shareholder shareholding nominal share capital up to Rs. 2 lakhs	347	728000	18.20%
	[a(ii)] Individuals- (ii) Individual shareholder shareholding nominal share capital in excess of Rs. 2 lakhs	-	-	-
	(b) NBFCs registered with SEBI			
	(c) Employee Trusts			
	(d) Overseas Depository (holding DRs) (balancing figure)			
	(e) Any Other Specify	35	472000	11.80%
	-Bodies Corporate	3	354000	8.85
	-Non-Resident Indian (NRI)	4	10000	0.25
	Resident Indian HUF	27	56000	1.4
	Trusts	1	52000	1.3
	Clearing Member	-	-	-
	Others	-	-	-
	<b>Total</b>	<b>389</b>	<b>4000000</b>	<b>100.00%</b>

**Top Ten Equity Shareholders of the Company as on March 31, 2018:**

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of holding
1	Aditya Kaushik	2445600	61.14
2	Beeline Broking Limited	342000	8.55
3	Dinesh Kaushik	330400	8.26
4	Ew Clover Scheme	52000	1.3
5	Swastika Investmart Limited	10000	0.25
6	Aneesha Kaushik	4800	0.12
7	Usha Kaushik	4800	0.12
8	Ruchi Kaushik	4800	0.12
9	Anita Kaushik	4800	0.12
10	Amit Kaushik	4800	0.12

- xi. Dematerialisation of shares and liquidity:** The Company's shares are compulsorily traded in dematerialised form on BSE. 100.00 % of the Equity share capital is dematerialised as on March 31, 2018.

Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's shares is INE464Z01017.

**xii. Outstanding GDRs / ADRs / Warrants / any other convertible instruments:** As on date the Company does not have any outstanding instruments of the captioned type.

**xiii. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund ("IEPF"):** No amount pursuant to Sections 205A and 205C of the Companies Act 1956 and other applicable provisions if any of the Act all unclaimed / unpaid dividend application money debenture interest and interest on deposits as well as the principal amount of debentures and deposits as applicable remaining unclaimed / unpaid for a period of seven years from the date they became due for payment.

**xiv. Annual Listing Fee to Stock Exchange**

The Company has paid Annual Listing Fee for the Financial Year 2018-19 to BSE Limited (BSE SME) in relation to its listed securities.

**xv. Annual Custodial Fee to Depositories**

The Company has timely paid the annual custodian fee for financial year 2018-19 to National Securities Depository Limited and Central Depository Services (India) Limited.

**xvi. Plant Locations**

As the Company is engaged in the manufacturing process and the plants of company are situated as mentioned below addresses:

**Manufacturing Unit-I**

Khewat Khatoni No. 45/45 Khasra No. 942/855/1 Village Kalyanpur Tehsil-Baddi Solan - 173205 Himachal Pradesh India.

**Manufacturing Unit-II**

Village Bagwali Khasra No. 40/14-15-16-17/1 Block - Raipur Rani NH - 73 Panchkula Haryana 134202 India.

**xvii. Address for correspondence:**

Inflame Appliances Limited

Khewat Khatoni No. 45/45 Khasra No. 942/855/1 Village Kalyanpur Tehsil-Baddi Solan - 173205 Himachal Pradesh India.

**xviii. Corporate Identification Number (CIN)**

U74999HP2017PLC006778

**xix. Compliance Officer and Public Spokesperson**

**Mr. Abhimanyu**

**Inflame Appliance Limited**

Khewat Khatoni No. 45/45 Khasra No. 942/855/1

Village Kalyanpur Tehsil-Baddi Solan - 173205 Himachal Pradesh India.

Tel. No. +91-1795-246820

E-mail: cs@inflammindia.com

Website: www.inflammindia.com

**For and on behalf of the Board of Directors  
Inflame Appliances Limited**

**Date: 28/08/2018  
Place: Baddi, Solan, Himachal Pradesh.**

**Sd/-  
Aditya Kaushik  
Chairman and Managing Director  
DIN - 06790052**

### **DECLARATION ON CODE OF CONDUCT**

As required under Schedule V(D) to the SEBI (LODR) Regulations 2015 it is hereby affirmed that all the Board Members and Senior Management personnel have complied with the Code of Conduct of the Company. It is also confirmed that the Code of Conduct has already been posted on the website of the Company.

**Date: 28/08/2018  
Place: Baddi, Solan, HIMACHAL PRADESH**

**Sd/-  
Amit Kaushik  
CEO & CFO**



# INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members**  
**Inflame Appliances Limited**

## **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS Financial Statements of Inflame Appliances Ltd ('the Company') which comprise the Balance Sheet as at 31 March, 2018 the statement of Profit and Loss (including other comprehensive income) the statement of Cash Flows and the statement of Changes in Equity for the year then ended and a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

## **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position financial performance including other comprehensive income cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An Audit involves performing procedures to obtain Audit Evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the Auditor's judgment including the assessment of the risks of material misstatement of the Ind AS Financial Statements whether due to fraud or error. In making those risk assessments the Auditor considers Internal Financial Control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the state of affairs of the Company as at 31 March, 2018 and its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet the Statement of Profit and Loss the statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
  - (e) On the basis of the Written Representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company does not have any pending litigations which would impact its financial position.
- ii. The company did not have any long term contracts including Derivative Contracts for which there were any material foreseeable losses.
- iii. There was no amount which were required to be transferred to the Investor Education and Protection Fund by the Company

**For DEEPAK JHANWAR & CO.**  
**Chartered Accountants**

**Deepak Jhanwar**  
Partner  
Membership No. 509398

**Place:** Baddi  
**Date:** May 28, 2018

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS Financial Statements for the year ended 31 March, 2018 we report that:

- (I) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted loans secured or unsecured to bodies corporate Firms Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.(iv) The Company has not granted any Loans made Investments given Guarantees and Security under Section 185 and 186 of the Act. Thus paragraph 3(iv) of the Order is not applicable to the Company. (v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund income-tax sales tax value added tax duty of customs employees' state insurance duty of excise service tax Goods and service tax cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us no undisputed amounts payable in respect of provident fund income tax sales tax value added tax duty of customs employees' state insurance duty of excise service tax Goods and service tax cess and other material statutory dues were in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us there is no disputed outstanding dues of sales tax / value added tax GST and duty of excise:
- (viii) Based on our audit procedures and as per the information and explanations given by the management we are of the opinion that the Company has not defaulted in repayment of loans to banks. There were no outstanding dues to any financial institution or debenture holders anytime during the year.
- (ix) The Company has raised the money of Rs. 648 Lacs by way of Initial Public Offer during the year. The company has not utilised the money other than the purpose of raising the money.
- (x) According to the information and explanations given to us no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) Managerial remuneration has been paid during the period under the prescribed limit in compliance with Section 197 read with schedule 5 of companies' act 2013.
- (xii) In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company has raised the money through preferential amount of Rs. 162.03 Lacs. The Company has compiled all requirement of section 42 of the companies act 2013 and utilised for the purpose for which money was raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For DEEPAK JHANWAR & CO.**  
Chartered Accountants

**Deepak Jhanwar**  
Partner  
Membership No. 509398

**Place:** Baddi  
**Date:** May 28, 2018



## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013 ("the Act")**

We have audited the Internal Financial Controls over financial reporting of Inflamm Appliances Ltd. ("the Company") as of 31 March, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies the safeguarding of its assets the prevention and detection of frauds and errors the accuracy and completeness of the accounting records and the timely preparation of reliable financial information as required under the Companies Act 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013 to the extent applicable to an Audit of Internal Financial Controls both applicable to an Audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Control over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment including the assessment of the risks of material misstatement of the Ind AS Financial Statements whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition use or disposition of the company's assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DEEPAK JHANWAR & CO.**  
Chartered Accountants

**Deepak Jhanwar**  
Partner

Membership No. 509398

**Place:** Baddi

**Date:** May 28, 2018



## BALANCE SHEET FOR THE YEAR ENDED AS AT MARCH 31, 2018

Particulars	Note No.	Amount (In Rs.)
		31.03.2018
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's Funds</b>		
(a) Share Capital	2	40000000.00
(b) Reserves & Surplus	3	61148062.68
		<b>101148062.68</b>
<b>(2) Non-Current Liabilities</b>		
(a) Secured Loan	4	6066199.37
(b) Deferred tax liabilities (Net)	5	147740.00
		<b>6213939.37</b>
<b>(3) Current Liabilities</b>		
(a) Trade payables	6	79141281.25
(b) Other current liabilities	7	2610998.88
(c) Short-term provisions	8	1620682.18
		<b>83372962.31</b>
<b>TOTAL</b>		<b>190734964.36</b>
<b>II. ASSETS</b>		
<b>(1) Non-Current Assets</b>		
(a) Fixed Assets		
Tangible Assets	9	28923578.98
Capital work-in-progress		5648220.00
(b) Long -term loans and advances		-
(c) Non-current investment	10	16500000.00
		<b>51071798.98</b>
<b>(2) Current Assets</b>		
(b) Inventories	11	24583675.00
(c )Trade receivables	12	69766806.40
(d) Cash and cash equivalents	13	13851890.79
(e) Short-term loans and advances	14	24403712.19
		<b>132606084.38</b>
<b>(2) Pre-Operative Expenses</b>	15	7057081.00
<b>TOTAL</b>		<b>190734964.36</b>
<b>Summary of Significant Accounting Policies</b>		
<b>The accompanying notes are an integral part of the financial statements</b>	1	

**For and On behalf of the Board of Inflammé Appliances Limited**

Sd/-

**Dinesh Kaushik**  
Director  
DIN - 07971536

Sd/-

**Amit Kaushik**  
Chief Financial Officer

Sd/-

**Aditya Kaushik**  
Managing Director  
DIN - 06790052

Sd/-

**Abhimanyu**  
Company Secretary

**As per Our Separate Report of  
Even Date**

**For Deepak Jhanwar & Co.**  
Chartered Accountant  
F.R. No. 023982N

Sd/-

**Deepak Jhanwar**  
Partner  
M. No. 509398

**Place : Baddi****Date : 28/05/2018**

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2018

Particulars	Note No.	Amount (In Rs.)
		31.03.2018
<b>INCOME</b>		
Revenue from operations (Gross)	16	89907038.51
Revenue from operations (Net)		<b>89907038.51</b>
Other Income	17	69999.00
<b>TOTAL REVENUE</b>		<b>89977037.51</b>
<b>EXPENSES</b>		
Cost of materials consumed	18	67784483.45
(Increase) / Decrease in stocks	19	(640539.00)
Employee benefits expense	20	5033245.00
Manufacturing Expenses	21	3855646.10
Administrative Expenses	22	8620716.67
Finance cost	23	184004.97
Depreciation		1198256.00
<b>TOTAL EXPENSES</b>		<b>86035813.19</b>
<b>Profit / (Loss) before taxation</b>		<b>3941224.32</b>
Tax expenses		
(1) Current tax		623320.00
(2) MAT		127877.00
(3) Deferred tax		147740.00
		<b>898937.00</b>
<b>Profit / (Loss) after taxation</b>		<b>3042287.32</b>
Earnings per share (Rs.) Basic		0.76
<b>Summary of Significant Accounting Policies</b> The accompanying notes are an integral part of the financial statements	1	

**For and On behalf of the Board of Inflamm Appliances Limited**

Sd/-

**Dinesh Kaushik**  
Director  
DIN - 07971536

Sd/-

**Aditya Kaushik**  
Managing Director  
DIN - 06790052

**As per Our Separate Report of  
Even Date**

**For Deepak Jhanwar & Co.**  
Chartered Accountant  
F.R. No. 023982N

Sd/-

**Deepak Jhanwar**  
Partner  
M. No. 509398

Sd/-

**Amit Kaushik**  
Chief Financial Officer

Sd/-

**Abhimanyu**  
Company Secretary

**Place : Baddi**

**Date : 28/05/2018**

## CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON MARCH 31, 2018

	Particulars	Amount (In '000)	
		31.03.2018	
<b>A)</b>	<b>Cash flows from operating activities</b>		
	Net profit before tax		3941224.00
	<b>Adjustments for:</b>		
	Depreciation	1198256.00	
	Interest Expenses	184005.00	
	Interest income	-	1382261.00
	<b>Operating Profit before working capital changes</b>		
	<b>Adjustment for:</b>		
	(Decrease) / Increase in trade payables current liabilities & provisions	83520702.00	
	(Increase) / Decrease in loans and advances	(24403712.00)	
	(Increase) / Decrease in inventory	(24583675.00)	
	Increase / (Decrease) in trade receivables	(69766806.00)	(35233491.00)
	Pre-Operative Exp. Paid	(7057081.00)	
	Tax Expenses	(898937.00)	(7956018.00)
	<b>Net cash from operating activities</b>		<b>(37866024.00)</b>
<b>B)</b>	<b>Cash flows from Investing activities</b>		
	Purchase of Fixed Assets	(35770055.00)	
	Decrease / (Increase) Fixed Deposit with Bank	(16500000.00)	
	Interest received	-	(52270055.00)
	<b>Net cash from investing activities</b>		<b>(52270055.00)</b>
<b>C)</b>	<b>Cash flow from Financing Activities</b>		
	Proceeds (repayment) from Share Capital	40000000.00	
	Proceeds (repayment) from Reserve	58105775.00	
	Proceeds (repayment) from short-term borrowings	-	
	Proceeds (repayment) from long-term borrowings	6066199.00	
	Interest Expenses	(184005.00)	103987970.00
	<b>Net cash from Financing Activities</b>		<b>103987970.00</b>
	<b>Net increase in Cash and Cash equivalents</b>		<b>13851891.00</b>
	<b>Opening cash and cash equivalents</b>		<b>-</b>

	Closing cash and cash equivalents		13851891.00
	Cash and cash equivalents at end of period		13851891.00

**For and On behalf of the Board of Inflammé Appliances Limited**

Sd/-

**Dinesh Kaushik**  
Director  
DIN - 07971536

Sd/-

**Aditya Kaushik**  
Managing Director  
DIN - 06790052

**As per Our Separate Report of  
Even Date**

**For Deepak Jhanwar & Co.**  
Chartered Accountant  
F.R. No. 023982N

Sd/-

Sd/-

**Amit Kaushik**  
Chief Financial Officer

Sd/-

**Abhimanyu**  
Company Secretary

**Deepak Jhanwar**  
Partner  
M. No. 509398

**Place : Baddi**  
**Date : 28/05/2018**



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### NOTE NO. 1: Significant Accounting Policies

#### (i) Basis for Preparation of Financial Statements:

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting standards specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act 2013 and other accounting pronouncements of the Institute of Chartered Accountants of India. The financial statements have been prepared under historical cost convention and on accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for change in the accounting policy for depreciation on fixed assets as mentioned in Note 29.

#### (ii) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### (iii) Revenue Recognition:

All revenue and expenses are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

- a) Sales are recognized on dispatch of goods to customers and are inclusive of central / state excise duty.
- b) Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

#### (iv) Inventories:

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the basis of First In First Out (FIFO) method.

- a) Raw materials Packing Material Stores & Components and Work-in-Process are valued at material cost.
- b) Finished goods are valued at manufacturing cost which comprise direct material direct labour other direct cost and other related manufacturing overheads.
- c) Obsolete/ slow moving inventories are adequately provided for.

#### (v) Fixed Assets:

Fixed assets are stated at their original cost of acquisition /installation net of accumulated depreciation amortization and impairment losses.

- a) Fixed assets are stated at their original cost of acquisition /installation net of accumulated depreciation amortization and impairment losses.
- b) Capital work-in-progress is stated at the amount incurred up to the date of the Balance Sheet.
- c) Expenditures incurred during construction / erection period on project under implementation are included under "Capital work-in-progress". These expenses are appropriated to fixed assets on commencement of commercial production.

#### (vi) Depreciation:

- a) Depreciation on tangible and Intangible fixed assets has been provided on the Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act 2013 except in respect of the following categories of assets in whose case the life of the assets has been

- b) assessed as under based on technical advice taking into account the nature of the asset the estimated usage of the asset the operating conditions of the asset past history of replacement anticipated technological changes etc.
- c) Depreciation is provided on assets acquired during the year from the date on which assets were put to use.

**(vii) Foreign Currency Transactions:**

Foreign Currency Transactions have been accounted at the rate prevailing on the date of transaction. Gains and losses resulting from the settlement of such transaction and from the transaction of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

**(viii) Provisions and Contingencies:**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure on contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made. However contingent assets are neither provided for nor disclosed.

**(ix) Employee Benefits**

**Defined Contribution Plan:**

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities Employees State Insurance Corporation and Labour Welfare Fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The same is charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**(x) Taxation:**

- a) Provision for Income Tax is determined on the basis of the estimated taxable income and amount expected to be paid to the tax authorities in accordance with the Provisions of the Income Tax Act 1961.
- b) Deferred Tax has not been recognized in respect of deferred tax assets as the Statement has been made in the mid of the year.

**(xi) Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**(xii) Cash and Cash Equivalents:**

The Company considers all highly liquid financial instruments which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase to be cash equivalents.

**NOTE NO. 2: SHARE CAPITAL**

Particulars	Amount (In Rs.)
	31.03.2018
Authorised Capital	

5000000 equity shares of Rs. 10/- each	50000000
(P.Y. Nil Equity Shares of Rs. 10/- each)	
<b>Issued Subscribed and Paid Up Shares</b>	
4000000 equity shares of Rs 10/- each fully paid up	40000000
(P.Y. Nil Equity Shares)	
<b>TOTAL</b>	<b>40000000</b>

**a. The reconciliation of the number of shares outstanding: -**

Particulars	31.03.2018
	No. of Shares
Number of shares at the beginning	-
Issued during the period	4000000
Number of shares at the end	4000000

**b. Terms / rights attached to equity shares**

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company when declared. In the event of liquidation the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

**c. Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at March 31, 2018	
	No. of Equity Shares	As a % of total holding
ADITYA KAUSHIK	2445600	61.14%
DINESH KAUSHIK	330400	8.26%
<b>Total</b>	<b>2776000</b>	<b>69.40%</b>

**NOTE NO. 3 – RESERVES AND SURPLUS**

Particulars	Amount (In Rs.)
	31.03.2018
Surplus / (deficit) in the statement of profit and loss	
As per last Balance Sheet	2548775.36
Profit after tax for the year	3042287.32
<b>Total A</b>	<b>5591062.68</b>
Securities Premium Account	
As per last Balance Sheet	-
Share Premium	66057000.00
Less: Subtractions	10500000.00
<b>Total B</b>	<b>55557000.00</b>
<b>Total A + B</b>	<b>61148062.68</b>

**NOTE NO. 4 - SECURED LOAN**

Particulars	Amount (In Rs.)
	31.03.2018
Car Loan Verna	370759.18
Car Loan Alto	219272.64
Car Loan BMW	3211822.55
Term Loan	2264345.00
Cash Credit	-
<b>TOTAL</b>	<b>6066199.37</b>

**NOTE NO. 5 – DEFERRED TAX LIABILITIES (NET)**

Particulars	Amount (In Rs.)
	31.03.2018
Deferred Tax Liability	147740
<b>TOTAL</b>	<b>147740</b>

**NOTE NO. 6 – TRADE PAYABLES**

Particulars	Amount (In Rs.)
	31.03.2018
Trade payables	73397791.72
Sundry Creditors (Transporter)	335166.00
Other Creditors	5408323.53
<b>TOTAL</b>	<b>79141281.25</b>

## NOTE NO. 7 – OTHER CURRENT LIABILITIES

Particulars	Amount (In Rs.)
	31.03.2018
Wages & Salaries Payable	1860552.00
Other payables	427071.88
Advances from Customers	323375.00
<b>TOTAL</b>	<b>2610998.88</b>

## NOTE NO. 8 – SHORT TERM PROVISIONS

Particulars	Amount (In Rs.)
	31.03.2018
Provision for Taxation 2017-18 (Techno)	443871.55
Provision for Taxation 2017-18	51197.00
TDS & TCS Payable	1053687.63
PF & ESI	71926.00
<b>TOTAL</b>	<b>1620682.18</b>

## NOTE NO. 9 – FIXED ASSETS

[illegible]



**NOTE NO. 10 - INVESTMENT**

Particulars	Amount (In Rs.)
	31.03.2018
Fixed Deposit with Canara Bank	16500000.00
<b>TOTAL</b>	<b>16500000.00</b>

**NOTE NO. 11 - INVENTORY (AT COST)**

Particulars	Amount (In Rs.)
	31.03.2018
Raw materials	20294665.00
Work in progress	-
Finished goods	4289010.00
<b>TOTAL</b>	<b>24583675.00</b>

**NOTE NO. 12 - TRADE RECEIVABLES**

Particulars	Amount (In Rs.)
	31.03.2018
Unsecured considered good	
Outstanding for a period exceeding six months from the date they are due for payment	-
	-
Other receivables	
Unsecured considered good	69766806.00
<b>TOTAL</b>	<b>69766806.00</b>

**NOTE NO. 13 - CASH AND BANK EQUIVALENTS**

Particulars	Amount (In Rs.)
	31.03.2018
(a) Cash and cash equivalents	
(i) Balances with banks in current accounts	13190978.00
(ii) Cash in hand	660913.00
<b>TOTAL</b>	<b>13851891.00</b>

## NOTE NO. 14 - SHORT-TERM LOANS AND ADVANCES

Particulars	Amount (In Rs.)
	31.03.2018
Unsecured, considered good	
Advances recoverable in cash or kind	4,200,923.00
Advance for Capital Goods	15,199,714.00
Inter Company Balances	-
Prepaid Expenses	849,100.00
Security Deposits	2,988,875.00
Balance with Revenue Authorities	1,122,100.00
TCS	43,000.00
Advances tax AY 2018-19	-
TOTAL	24,403,712.19

## NOTE NO.15- PRE-OPERATIVE EXPENSES

Particulars	Amount (In Rs.)
	31.03.2018
Opening Balance	-
Add: During the year	7,057,081.00
Closing Balance	7,057,081.00

## NOTE NO. 16 - SALES

Particulars	Amount (In Rs.)
	31.03.2018
Sales of products	89907038.51
Stock Transfer	-
TOTAL	89907038.51

## NOTE NO. 17- OTHER

Particulars	Amount (In Rs.)
	31.03.2018
Scrap Sales	-
Interest on FD	-
Other Income	69999.00
TOTAL	69999.00

**NOTE No. 18- COST OF MATERIAL CONSUMED**

Particulars	Amount (In Rs.)
	<b>31.03.2018</b>
<b>i) Raw Material Consumption</b>	
Opening Stock	10795214.00
Add: Purchases	77283934.45
Less: Closing Stock	20294665.00
<b>TOTAL</b>	<b>67784483.45</b>

**NOTE No. 19- (INCREASE) / DECREASE IN STOCK**

Particulars	Amount (In Rs.)
	<b>31.03 2018</b>
<b>Opening Stock</b>	
i) Work-in-process	-
ii) Finished goods	3648471.00
	<b>3648471.00</b>
<b>Purchases of Finished Goods</b>	-
<b>Less : Closing Stock</b>	
i) Work-in-process	-
ii) Finished goods	4289010.00
	<b>4289010.00</b>
<b>Net (Increase)/Decrease in Stock</b>	<b>(640539.00)</b>

**NOTE No. 20-EMPLOYEE BENEFIT EXPENSES**

Particulars	Amount (In Rs.)
	<b>31.03.2018</b>
<b>Salary and Wages</b>	3494378.00
<b>Director Remuneration</b>	1310000.00
<b>Contribution to PF / ESI</b>	133116.00
<b>Staff welfare expenses</b>	95751.00
<b>TOTAL</b>	<b>5033245.00</b>

## NOTE NO. 21: MANUFACTURING AND OTHER EXPENSES:

Particulars	Amount (In Rs.)
	31.03.2018
Freight Inward	519477.99
Job Work Charges	2968174.00
Factory consumables	47956.01
Loading & Unloading Exp.	30632.00
Power Charges	85492.00
Rates and Taxes	203914.10
<b>TOTAL</b>	<b>3855646.10</b>

## NOTE NO. 22-ADMINISTRATIVE EXPENSES

Particulars	Amount (In Rs.)
Audit Fees	75000.00
Bank Charges	68846.00
Business Promotion	183150.00
Commission	6137432.00
Channel Access Fees	166670.00
BIS Fees	-
Discount Allowed	456892.00
Donation	220.00
Freight Outward	84803.00
Foreign Exchange Loss	148492.00
Insurance	1433.00
Rent - Factory	507700.00
Legal & professional Charges	340070.00
Rent - Warehouse	31500.00
Postage & Courier	7718.00
Printing & Stationary	20425.00
Repair to Others	31780.00
Social Welfare Exp.	20285.20
Telephone & Internet Expenses	31559.88
Travelling & Conveyance	160667.00
Vehicle Running Exp.	138642.00
Others	7431.59
<b>Total</b>	<b>8620716.67</b>

**NOTE NO. 23 - FINANCE EXPANCES**

Particulars	Amount (In Rs.)
	31.03.2018
Interest on Car Loan	55258.97
Interest on CC	55654.00
Interest on Term Loan	60643.00
Other intrest	12449.00
<b>TOTAL</b>	<b>184004.97</b>

**NOTE NO. 24** - The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro and Small Enterprises have not been made.

**NOTE NO. - 25 - RELATED PARTY DISCLOSURES:** The disclosures pertaining to the related parties as required by the Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under

Sr. No.	Name of the related party	Relation
1	Aditya Kaushik	Director
2	Dinesh Kaushik	Director
3	Amit Kaushik	Relative Director
4	Anita Kaushik	Director
5	Ruchi Kaushik	Relative Director
6	Usha Enterprises	Prop. Dinesh Kaushik
7	Kaushik Kreation	Prop. Aditya Kaushik

Nature of transaction	March 31, 2018
<b>Usha Enterprises</b>	<b>Amount (In Rs.)</b>
(a) Sale of goods	-
(b) Purchase of goods	4,906,375.50
(c) Job Works	296,761.00
(d) Outstanding as on last date of the year	7,503,610.24
(e) Maximum outstanding	8,082,120.34
<b>Kaushik Kreation</b>	
(a) Sale of goods	3,136,301.69
(b) Purchase of goods	148,850.85
(c) Outstanding as on last date of the year	13,325,682.75
(d) Maximum outstanding	13,325,682.75

Sr. No.	Name of the related Party	Transaction	Amount (In Rs.)
1	Aditya Kaushik	Remuneration	710,000.00
2	Dinesh Kaushik	Remuneration	175,000.00
3	Amit Kaushik	Remuneration	710,000.00
4	Anita Kaushik	Remuneration	200,000.00
5	Ruchi Kaushik	Remuneration	200,000.00

## NOTE NO. 26- PAYMENT TO AUDITORS

Particulars	Amount (In Rs.)
	31.03.2018
Audit Fees	75000.00
Fees for other Services	-
Total	75000.00

## NOTE NO. 27 -FINANCE COST

Particulars	Amount (In Rs.)
	31.03.2018
Interest on Car Loan	55258.97
Interest on CC	55654.00
Interest on Term Loan	60643.00
Other Interest	12449.00
Total	184004.97

## NOTE NO. 28 - EARNINGS PER SHARE (EPS)

Particulars	Amount (In Rs.)
	31.03.2018
Profit (Loss) after Taxation	3042287
Weighted average number of shares	4000000
Basic Earnings per Share	0.76
Face Value per Equity Share	10



**NOTE NO. 29** - There is no contingent liability as on March 31, 2018.

**NOTE NO. 30** - Earnings in Foreign Exchange - Nil

**NOTE NO. 31** - Expenditure in Foreign Exchange - Nil

**NOTE NO. 32** - Loss in Foreign Currency Fluctuation – Rs. 148492.00

**NOTE NO. 33** - During the year ended March 31, 2018 the revised Schedule VI notified under the Companies Act 1956 has become applicable to the company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for the preparation of financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**NOTE NO. 34** - Figures of previous year have been regrouped reclassified and recast wherever considered necessary.

**For and On behalf of the Board of Inflammé Appliances Limited**

Sd/-

**Dinesh Kaushik**  
Director  
DIN – 07971536

Sd/-

**Aditya Kaushik**  
Managing Director  
DIN – 06790052

**As per Our Separate Report of  
Even Date**

**For Deepak Jhanwar & Co.**  
Chartered Accountant  
F.R. No. 023982N

Sd/-

Sd/-

**Amit Kaushik**  
Chief Financial Officer

Sd/-

**Abhimanyu**  
Company Secretary

**Deepak Jhanwar**  
Partner  
M. No. 509398

**Place : Baddi**

**Date : 28.05.2018**

## CEO AND CFO CERTIFICATION

To

**The Board of Directors**

**Inflame Appliances Limited**

I, Chief Executive Officer and Chief Financial Officer of Inflame Appliances Limited to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet Statement of Profit and Loss and Cash Flow of the Company and all the notes on accounts and the Board's report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statement made in light of the circumstances under which such statement was made not misleading with respect to the period covered by this report.
3. The financial statements and other financial information included in this report present in all material respects a true and fair view of the Company's affairs the financial condition results of operations and cash flows of the Company as at and for the periods presented in this report and with the existing accounting standards and/or applicable laws and regulations.
4. There are no transactions entered into by the company during the year that are fraudulent illegal or violate the Company's Code of Conduct and Ethics expect as disclosed to the Company's audit committee of Board of Director's.
5. We are responsible for establishing and maintaining disclosure controls over financial reporting for the Company and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company is made known to us by others within those entities particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP) in India.
  - c. Evaluated the effectiveness of the Company's disclosure controls and procedures.
  - d. Disclosed in this report changes if any in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.
6. We have displayed based on our most recent evaluation of the Company's internal control over financial reporting wherever applicable to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):
  - a. Any deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record process summarize and report financial data and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies

- a. Any significant changes in internal controls during the year covered by this report.
  - b. All significant changes in internal controls during the year covered by this report.
  - c. Any Instances of significant fraud of which we are aware that involve the management or other employees who have a significant role in the Company's internal control system
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle-blowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

**Sd/-**

**Place: Baddi, Solan, Himachal Pradesh**

**Date : 28/08/2018**

**Amit Kaushik**  
**CEO & CFO**

# Inflame Appliances Limited

(CIN: U74999HP2017PLC006778)

**Regd. Office:** Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur, Tehsil-Baddi, Solan, Himachal Pradesh-173205, India.

**Tel No.:** +91-1795-246820 **E-mail:** info@inflameindia.com **Website:** www.inflameindia.com

## PROXY FORM (Form No. MGT-11)

[Pursuant to section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014]

<b>Name of the Member(s) :</b>	<b>Folio No/ DP ID-Client ID:</b>
<b>Registered Address :</b>	
<b>No. of Shares held:</b>	<b>E-mail Id:</b>

I/We being the member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

<b>1.</b>	<b>Name:</b>		
	<b>Address:</b>	<b>Signature</b>	
	<b>E-mail ID:</b>		
<b>or failing him/her</b>			
<b>2.</b>	<b>Name:</b>		
	<b>Address:</b>	<b>Signature</b>	
	<b>E-mail ID:</b>		
<b>or failing him/her</b>			
<b>3.</b>	<b>Name:</b>		
	<b>Address:</b>	<b>Signature</b>	
	<b>E-mail ID:</b>		

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 1<sup>st</sup> Annual General Meeting of the company to be held on the Friday September 28, 2018 at 11.00 AM at Hotel Le Mariet, 9th K.M. Milestone, Baddi-Nalagarh Road, NH 21-A Kishanpura, Nalagarh, Himachal Pradesh-174101, India, and/or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	Vote	
		For	Against
Ordinary Business			
1.	To receive consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon; and		
2.	To appoint a Director in place of Mrs. Anita Kaushik (DIN-07971788) who retires by rotation and being eligible offers herself for re-appointment.		
3.	To appoint the new statutory auditors for the term of 5 years and to fix their remuneration.		
Special Business			
4.	To Regularised Mrs.SmitaBhandari (DIN: - 08205214) as an Non-Executive Independent Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix  
Revenue  
Stamp  
here

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s)

\_\_\_\_\_

----- Cut Here -----

EVEN (E-Voting Sequence Number)	USER ID	PASSWORD / PIN

**Notes:**

1. A Proxy need not be a member of the Company.
2. This form of Proxy must be deposited at the Registered Office of the Company at Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur Tehsil-Baddi, Solan, Himachal Pradesh-173205, India, not less than 48 hours before the commencement of the Meeting.
3. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

# Inflame Appliances Limited

(CIN: U74999HP2017PLC006778)

**Regd. Office:** Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur Tehsil-Baddi, Solan, Himachal Pradesh-173205 India.

**Tel No.:** +91-1795-246820 **E-mail:** info@inflameindia.com **Website:** www.inflameindia.com

## ATTENDANCE SLIP

**1ST ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY SEPTEMBER 28, 2018 AT 11:00 A.M. AT HOTEL LE MARIET, 9TH K.M. MILESTONE, BADDI-NALAGARH ROAD, NH 21-A KISHANPURA NALAGARH, HIMACHAL PRADESH-174101, INDIA.**

### Attendance slip

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
*Folio No.	
DP ID No.	
Client ID No.	
No. of Shares held	
NAME OF PROXY (IN BLOCK LETTERS) to be filled in if the proxy attends instead of the member	

I/We hereby record my/our presence at the 1<sup>st</sup> Annual General Meeting of the Company held on Friday September 28, 2018 at 11:00 A.M. at **Hotel Le Mariet, 9th K.M. Milestone, Baddi-Nalagarh Road, NH 21-A Kishanpura Nalagarh, Himachal Pradesh-174101, India.**

\*Applicable in case of shares held in Physical form.

-----  
Signature of Member / Proxy

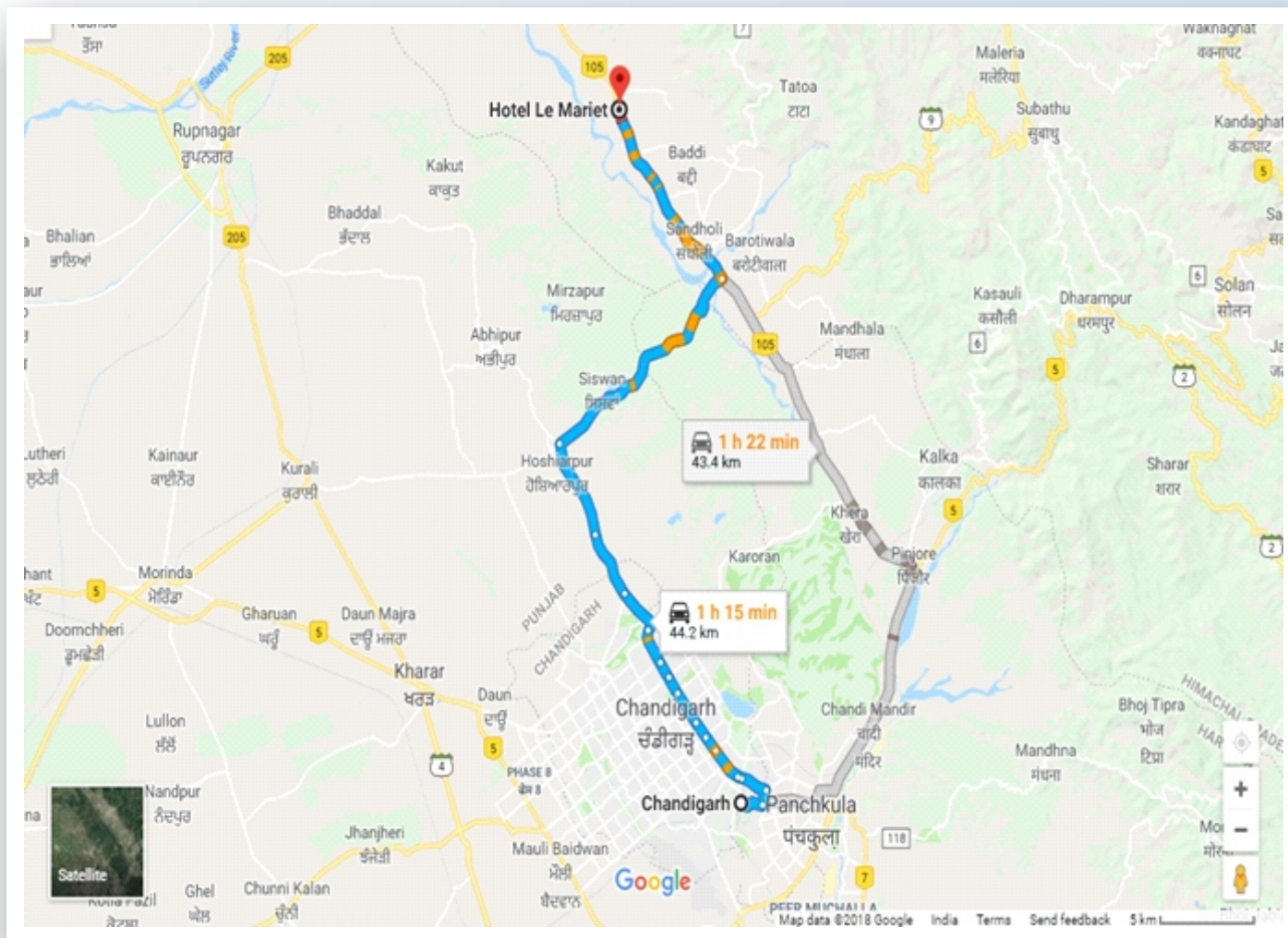
#### Note:

1. Only Members/Proxy holders can attend the Meeting
2. Members are requested to bring their copies of the Annual report for reference at the meeting
3. In the case of joint holders the vote of the senior who tenders a vote whether in person or by Proxy shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.



## ROUTE MAP

**AGM Venue:** Inflammé Appliances Limited, Hotel Le Meridian, 9th K.M. Milestone, Baddi-Nalagarh Road, NH 21-A Kishanpura, Nalagarh, Himachal Pradesh 174101, India.



## Notes

[illegible]



### **Registered Office**

Khewat Khatoni No. 45/45,  
Khasra No. 942/855/1,  
Village Kalyanpur Tehsil-Baddi,  
Solan -173205, Himachal Pradesh, India.

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