

Dated: 25th July, 2019

To,

The Department of Corporate Services
BSE Limited
Phiroze, Jeejeebhoy Towers
Dalal Streets
Mumbai - 400001

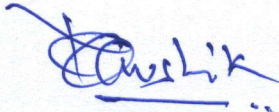
Sub: Submission of Annual Report (BSE Scrip Code- 541083)

Dear Sir/Madam,

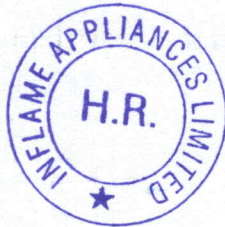
In reference to captioned subject and in pursuant to regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company **Inflame Appliances Limited** (hereinafter referred as "the Company") is hereby submitting the annual report of the Company along with Form A (unmodified opinion), which was being approved and adopted in the 02nd Annual General Meeting of the Company held on 29th June, 2019.

Please take note of the same and do the needful.

For Inflame Appliances Limited



Amit Kaushik
CEO



Inflame Appliances Limited

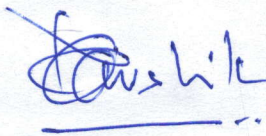

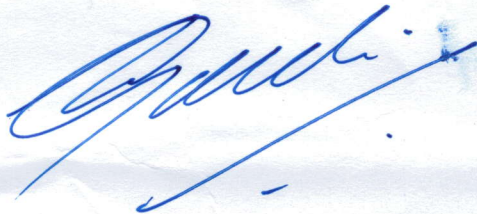
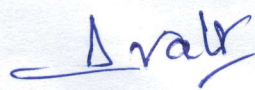
(Formerly TECHNO ENGINEERING CORPORATION)

ADD.: KHASRA NO. 40/14-15-16-17/1VILL. BAGWALI, NH - 73, Distt. PANCHKULA. (H.R.)134205.

Regd Office: - Khasra No.855/1, Vill.Kalyanpur, Chakkan Road, Teh.Baddi, Distt.Solan (H.P.) 173205

W: inflameindia.com | P: +01795-246820 | contact@inflameindia.com

Declaration

Name of the Company	Inflamm Appliances Limited
Annual financial Statement for the Financial Year ended	31 st March, 2019
Type of Audit observation	Un qualified
Frequency of observation	N.A.
To be signed by: <ul style="list-style-type: none"> Mr. Amit Kaushik CEO PAN: AAKPK0287B Auditor of the Company Gandhi Minocha & Co. Chartered Accountants FRN: 000458N Mr. Akshay Kumar Vats Chairman of Audit Committee DIN: 08020018 	   

Inflamm Appliances Limited

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2ND ANNUAL REPORT



2018-19

OUR PRODUCTS

LPG GAS STOVES

LPG Gas Stove in sheet metal (ISI Certified for open market and for oil Companies)

LPG Gas Stove with toughened Glass (Optional Auto ignition)



ELECTRICAL CHIMNEYS

Electrical Chimneys - capacity upto 20000 units a months, presently these products are being majorly imported by most of companies from chiana

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

Stand - alone cookin 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

COMPANY INFORMATION**Board of Directors****Mr. Aditya Kaushik**

Chairman and Managing Director

Mr. Dinesh Kaushik

Whole Time Director

Mrs. Anita Kaushik

Whole Time Director

Mr. Akshay Kumar Vats

Non-Executive Independent Director

Mrs. Smita Bhandari

Non-Executive Independent Director

Mr. Udit Chandiok

Non-Executive Independent Director

CEO & CFO**Mr. Amit Kaushik****Company Secretary & Compliance Officer****Ms. Harpreet Parashar****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@inflameindia.com

Website: www.inflameindia.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

Secretarial Auditor**Mr. Amit Kumar**

Practicing Company Secretaries

Address : 310 A, Jaina Tower 1, Janak Puri, District Centre, New Delhi 110058

Tel No. : +91-8826810670

E-mail : cs.amit.arya@gmail.com

Statutory Auditor**M/s Gandhi Minocha & Co.**

Chartered Accountants

Address: 1A, Tribune Colony, Jagadhi Road, Ambala Cantt., Haryana 133001, India

Tel. No: 011-27303078

Email: gandhica@gmail.com

Contact Person: CA Gaurav Gandhi

Depositories**National Securities Depository Limited**

Central Depository Services (India) Limited

Shares Listed at**BSE Limited (BSE SME)**

25th Floor, P.J. Tower, Dalal Street, Fort, Mumbai – 400001, Maharashtra, India

Registrar and Share Transfer Agent (R&TA)**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;

Investor Grievance Email: grievances@skylinerta.com

Website: www.skylinerta.com

Contact Person: Mr. Virender Rana

Contact Person for Investors**Mr. Amit Kaushik**

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@inflameindia.com

Website: www.inflameindia.com

Bankers

Canara Bank

Indian Bank



LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Dear Shareholders,

It gives me great pleasure to share with you the 2nd Annual Report of Your Company and share our journey through the last financial year.

Last Financial year was remarkable year for your company as Inflamm Appliance Limited successfully commissioned production at new facility. At the outset, on behalf of board of directors and the team, we would like to take this opportunity to thank you for your support and confidence in your company during the growth phase of the company.

It is this trust that encouraged, enabled and inspired us to deliver a strong financial performance of Rs. 55.11 Crores in turnover clocking a 72% Growth and recorded the Profit after tax (PAT) Of Rs. 2.06 Crore registered the growth of 66%. This performance has been possible because of the combined efforts of our people who have worked with a strong focus and driven many innovative and impactful initiatives in the year gone by.

The macroeconomic scenario of the country remains strong with stable government in place, FDI inflows remains strong, asserting our attractive position in global scenario, Combined with some decisive steps for debt overhang resolution in industry this augurs well for investment climate in the country.

We are now getting ready to brace ourselves for a new tomorrow with the New Products added in our product basket, New facility and machines.

During the recent years Company bought 12175 sq meter of land on NH73, near Panchkula, Haryana for setting up new facility where approx 4500 Sq meter of sheds/office blocks are already Constructed. The Company shifted all its operations from Baddi, Himachal Pradesh to this new facility in phased manner during this year.

Company Added 15000 numbers per month of production capacity for Electric Chimneys, 5000 numbers per month of production capacity for Hobs and 1000 units per month production capacity for cooking range. Production Capacity for existing products have also Increased during last year. Steel Gas Stoves production capacity has also increased from 50000 to 125000 numbers per month and Glass Stoves from 5000 to 20000 pieces per month.

Within a month of completion of production capacity expansion, your company is able to achieve production of 2500 Pieces per month of Electrical Chimneys and expect to achieve approx 10000 pieces per month by second half of current financial year.

Average Current Steel Gas Stove Production is 75000 numbers Per Month and Glass Stoves Production is 4500 pieces Per Month and we expect to achieve production of 15000 pieces Glass Gas Stoves and 100000 Steel Gas Stoves numbers per month by October this year.

Your Company has Marketing agreements with Oil Marketing Companies to market, sell, distribute and promote LPG Stoves to domestic consumers using their Distribution channel which has over 16000 distributors across India. Currently Company supplies its products in the brand name of "INFLAME" through a network of its 40+ Distributors across India.

Apart above, your Company is also setting up its own distribution network for open markets to sell its products under the Brand Name of "INFLAME" in major states in India. Recently, Distributors Network has been set up in the States of

Maharashtra, Gujarat, West Bengal, Uttar Pradesh, Punjab, Haryana, Jammu & Kashmir and Himachal Pradesh. In time to come, this distribution network would be spread across pan-India and complete product range would be offered to consumers through this distribution network.

Your Company is also involved in manufacturing different models of gas stoves for Hindware since about 4 years and currently contribute to over 80% of their total demand. Recently, this partnership is also extended to manufacture chimneys for them. Apart from Hindware, your company has recently got into an agreement with AKAI INDIA for being exclusive manufacturer of electrical chimneys, Hobs and gas stoves for them under their brand. This partnership is expected to generate huge business opportunities for both companies. Your company has also been selected by BSH Home Appliances (BOSCH SIEMENS HOME APPLIANCES) to be in their pool of suppliers for Chimney. Recently, your company is also approved by Sun flame Appliances for supply of chimney under their brand name.

Your Company has completed the process of registering with Railway Coach Factory (RCF) for supplying of various stainless steel /mild steel components which are used in railway passenger wagon. Company's unique facility are able to offer various components for railway coaches and company looks forward this segment and expect 5-10% of total revenue from this segment.

Your company started exports of various models of chimneys and gas stoves in nearby countries and have initiated process of exporting its products to various African countries. During current financial year, your company expects to achieve 15-20% of total revenue through exports.

I would like to thank our employees for their efforts, our customers for their trust, our vendors for their cooperation, our regulators for their oversight and our investors for their confidence in our abilities. These are the pillars that will drive our success as we set out to become a better, bigger & stronger organisation.

Thank you.

Yours sincerely

Aditya Kaushik
Chairman & Managing Director
June 03, 2019

KEY FINANCIAL HIGHLIGHTS:-

- » Revenue (Net) Up by 72% to Rs.5511 Lakhs in FY 19 against RS 3212 Lakhs in FY 18.
- » EBITDA including other income grew by 126% to Rs.432 Lakhs FY19Vs Rs.191 Lakhs in FY18.
- » EBITDA margin Improved by 180 basis points to 7.7% in FY19 Vs 5.9% in FY18.
- » PBT grew by 85% to Rs.285 Lakhs in FY19Vs Rs.154 lakhs in FY18.
- » PAT grew by 66% grew to Rs.206 Lakhs Vs Rs.124 Lakhs in FY18.
- » EPS by 66% to Rs.3.44 in FY19 against Rs.2.07 in FY18.
- » ROCE Stand at 18% & ROE stand at 17% for FY19.
- » Keeping in view the growth of company, Board of Directors has recommended Final Dividend of RS 0.5 per equity share of RS 10 for the FY ended March 31st 2019 which translate to a healthy 14.55% Dividend pay-out ratio.

Financial Performance Highlights:-

Particulars (Rs. in Lakhs)	FY 2018-19	FY 2017-18	YOY %
Revenue	5511	3212	72%
EBITDA (Including Other Income)	432	191	126%
Margin (%)	7.8%	5.9%	
PBT	285	154	85%
Margin (%)	14%	12%	
PAT	206	124	66%
Margin (%)	4%	4%	
EPS	3.44	2.07	66%

Note: - Last year financials is the combined performance of Company as well as Firm before conversion into company for comparison purpose.

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.

Development in Indian Kitchen Appliances Industry

In FY2018, the overall Indian appliance and consumer electronics (ACE) market was estimated at INR 210,000 Cr and is set to grow at a compound annual growth rate (CAGR) of 9%. The cooking appliances market accounted for 7.2% of the ACE market value in FY2018. Increase in consumer appliances market in the country has boded well for the kitchen appliances market, where products made specifically for the Indian market are expected to have higher sales. The kitchen appliances market will grow at a faster rate than the overall ACE market. Indian consumers are inherently price conscious.

This growth in India's consumer market demand is driven primarily by rising disposable incomes in Indian households and easy access to credit, which induces growing purchasing power. Increasing electrification of rural areas, along with the rising influence of social media and the popularity of online sales, is also likely to aid growth in demand. Two-thirds of the total revenue is generated from the urban population and the rest is generated from the rural population.

Government initiative like Pradhan Mantri Ujjwala Yojana (PMUY) was launched by Prime Minister of India on 1 May 2016 to distribute 50 million LPG connections to women of BPL families. A budgetary allocation of ₹800 billion was made for the scheme. In the first year of its launch, the connections distributed were 22 million against the target of 15 million. The number crossed 58 million by December 2018. In 2018 Union Budget of India, its scope was widened to include 80 million poor households. 21,000 awareness camps were conducted by oil marketing companies (OMC). The scheme led to an increase in LPG consumption by 56% in 2019 as compared to 2014.

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 cook tops, the range of our solutions is as diverse as the problems they address

Our product range includes

- » Cooking Range
- » Built-in-Hobs
- » Cook tops
- » Cooker Hoods (Chimneys)

BUSINESS & CUSTOMER UPDATES:-

- » Company Successfully Commenced Production at new facility. The Facility installed is unique in nature as no Manufacturer of Appliances in India has the Facility of toughened glass, CNC Machines, Power/Hydraulic Press Shop, Powder Coating, and Welding under one roof.
- » Company adopt several new technologies to increase operational efficiencies and installed machines backed up with advanced technology like CNC Punching machine and laser cutting machine, complete glass toughening line comprising of a tempering furnace, CNC glass cutting table and other glass processing machines.
- » Company added new products in existing product portfolio like Electric Chimneys, Hobs and Cooking Ranges.
- » New Capacity is added to meet the growing demand across the product lines.
- » We have witnessed General Elections 2019 as well as Election in States in India during the year that has affected your company positively with Shri Narendra Modi coming back in power, we expect Ujjawala Yojna to continue with more resources and wider coverage. Your company will be amongst the high beneficiaries of the scheme.
- » New plant was commissioned in 2nd half of financial year and the technical cost pertaining to installation of various machines which is approx Rs.1.5 Crore is shown as expense in Profit and loss statement as a conservative accounting policy measure that would understate our profitability numbers in FY 19.
- » Completed the process of registering with Railway Coach Factory (RCF) Kapurthala for supplying of various stainless steel /mild steel components.
- » Company started exports of various models of chimneys and gas stoves in nearby countries and have initiated process of exporting its products to various African countries.
- » Company has recently got into an agreement with AKAI INDIA for being exclusive manufacturer of electrical chimneys, Hobs and gas stoves for them under their brand. This partnership is expected to generate huge business opportunities for both companies and has also been selected by BSH Home Appliances (BOSCH SIEMENS HOME APPLIANCES) to be in their pool of suppliers for Chimney.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Second (2nd) Annual General Meeting of the member of Inflamm Appliances Limited will be held on Saturday, 29th day of June, 2019 at 09.30 A.M. at BBNIA (Baddi Barootiwala Nalagarh Industries Association) EPIP- Jharmajri Road, EPIP Phase-1, Jharmajri, Baddi. (District Solan), Himachal Pradesh 174130, India, to transact the following business:**

ORDINARY BUSINESS:**ITEM NO. 1 – ADOPTION OF FINANCIAL STATEMENT**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and

ITEM NO. 2 – APPOINTMENT OF DIRECTOR

To appoint a Director in place of Mr. Dinesh Kaushik (DIN-07971536) who retires by rotation and, being eligible, offers himself for re-appointment.

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Dinesh Kaushik (DIN-07971536) who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

ITEM NO. 3 – DECLARATION OF DIVIDEND

To declare Dividend of Rs. 0.50 per equity share @ 5% of face value of Rs. 10 each and in this regard to consider and pass the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the recommendations of the Board of Directors and applicable provisions of the Companies Act 2013, final dividend at Rs. 0.50 per equity share of face value of Rs. 10 each, on the paid-up equity share capital of the Company, for the financial year ended 31 March 2019, be and is hereby declared and approved for payment.

RESOLVED FURTHER THAT the dividend be paid to the shareholders/members of the Company whose names appear in the Register of Members for physical shares and in the list of beneficiary position as on record date for demat shares furnished by the Depositories and who are entitled to such dividend, through electronic credit to bank accounts and other appropriate mode including through dividend warrants or demand drafts.”

Reg. Office:
Khewat Khatoni No. 45/45,
Khasra No. 942/855/1
Village Kalyanpur Tehsil-Baddi Baddi
Solan HP 173205

Place: Baddi (H.P.)
Dated: June 03, 2019

For and on behalf of the Board of
Inflamm Appliances Limited

Sd/-
Aditya Kaushik
Chairman & Managing Director
DIN: 06790052

NOTES:

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 Sunday, 23rd day of June, 2019 to Saturday, 29th day of June, 2019 (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 2018-19 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 2018-19 will also be available on the Company's website viz. www.inflammindia.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:

(i) The voting period begins on Wednesday, June 26, 2019 from 9.00 A.M and ends on Friday, June 28, 2019 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 Saturday, June 22, 2019, 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 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:

For Members holding shares in Demat Form and Physical Form

PAN	<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>
Dividend Bank Details OR Date of Birth (DOB)	<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>» 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 of the Inflammation 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 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.
 - » 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 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, under help section or write an email to 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. Saturday, June 22, 2019, may obtain the login ID and password by sending a request at 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 Saturday, June 22, 2019.
25. The board of directors has appointed Mr. Amit Kumar (Membership No. – 48528, COP. 21725), Practicing Company Secretary (310-A, Jaina Tower 1, Janak Puri, District Centre, New Delhi 110058, 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.inflammindia.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.inflammindia.com.

Reg. Office:
Khewat Khatoni No. 45/45,
Khasra No. 942/855/1
Village Kalyanpur Tehsil-Baddi Baddi
Solan HP 173205

Place: Baddi (H.P.)
Dated: June 03, 2019

For and on behalf of the Board of
Inflamm Appliances Limited

Sd/-
Aditya Kaushik
Chairman & Managing Director
DIN: 06790052

BRIEF RESUME OF THE DIRECTOR(S) SEEKING RE-APPOINTMENT AT THE 2nd ANNUAL GENERAL MEETING TO BE HELD AT JUNE 29, 2019

Particulars	Mr. Dinesh Kaushik
Date of Birth	27/01/1943
Date of Appointment	November 14, 2017
Qualifications	Matric
Expertise in specific functional areas	<p>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.</p>
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	495600 equity shares
Relationships with other Directors, Manager and other Key Managerial personnel	Father of CEO/CFO Mr. Amit Kaushik
Details of remuneration paid / sought to be paid	Rs. 525,000
Number of meetings of the Board attend during the year	09
DIN	07971536

BOARD OF DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting the 2nd (Second) Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2019.

1. FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2019 is summarized as below:
(Amount in Rs.)

Particulars	Current Year 2018-19	Previous Year 2017-18*
Revenue from operations	55,11,04,756	8,99,07,038
Other income (net)	94,17,167	69,999
Total Income	56,05,21,923	8,99,77,037
Less:		
Operating & Administrative expenses	51,73,20,691	8,46,53,552
Profit Before Depreciation Interest & Tax	4,32,01,232	53,23,485
Less:		
Depreciation and amortization expense	1,20,36,787	11,98,256
Finance costs	26,72,904	1,84,004
Profit before exceptional item and tax	2,84,91,541	39,41,224
Exceptional item	0.00	0.00
Profit before tax (PBT)	2,84,91,541	39,41,224
Tax expense	78,74,746	8,98,937
Profit after tax for the year (PAT)	2,06,16,795	30,42,287
EPS (Rs.)	3.44	0.76

· Our Company was incorporated on November 14, 2017 by conversion of partnership firm M/s Techno Engineering Corporation which was formed in the year 2010. The financial performance mentioned above belongs to the period after incorporation of Company.

2. OPERATION & REVIEW:

Your Company witnessed a steady improvement in growth as compared to the previous Financial Year. All our segments registered a decent double-digit growth. The financial growth of the Company is as follows:

- ✓ Revenue (Net) Up by 72% to Rs.5511 Lakhs in FY 19 against RS 3212 Lakhs in FY 18.
- ✓ EBITDA including other income grew by 126% to Rs.432 Lakhs FY19Vs Rs.191 Lakhs in FY18.
- ✓ EBITDA margin Improved by 180 basis points to 7.7% in FY19 Vs 5.9% in FY18.
- ✓ PBT grew by 85% to Rs.285 Lakhs in FY19Vs Rs.154 lakhs in FY18.
- ✓ PAT grew by 66% grew to Rs.206 Lakhs Vs Rs.124 Lakhs in FY18.
- ✓ EPS by 66% to Rs.3.44 in FY19 against Rs.2.07 in FY18.
- ✓ ROCE Stand at 18% & ROE stand at 17% for FY19.

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 of Directors have recommended payment of Rs. 0.50 (Fifty Paise only) per equity share of the face value of Rs. 10 (Rupee Ten only) each as final dividend for the financial year 2018-19 which translate to a healthy 14.55% Dividend pay-out ratio, for the approval of the shareholders at the ensuing Annual General Meeting ('AGM') of the Company.

5. SHARE CAPITAL

During the financial year 2018-19, the Company has allotted 20,00,000 equity shares of Rs. 10/- each through a Bonus Issue to award our patron Shareholders. This will also pave the way for Company to meet Capital Criteria for Migration to Main Board of BSE.

6. USE OF PROCEEDS

Objects as mentioned in the Prospectus	Amount Allocated (In Lakhs)	Amount Utilised (In Lakhs)	Balance as on 31.03.2019	Deviation (if any)
Working Capital Requirements	250.00	250.00	Nil	Not Applicable
Capital Expenditure	300.00	300.00	Nil	Not Applicable
General Corporate Expenses	28.00	28.00	Nil	Not Applicable

7. TRANSFER TO RESERVES

The Company has transferred the Profit 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

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Dinesh Kaushik, Whole Time Director is liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer himself for re- appointment.

Brief profile of retiring director is given in the Notice of Annual General Meeting.

DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with rules made thereunder.

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Amit Kaushik, Chief Financial Officer and Mr. Abhimanyu, Company Secretary were formalized as the Key Managerial Personnel of the Company. Mr. Abhimanyu has resigned w.e.f. May 15, 2019.

Presently, Ms. Harpreet Parashar is appointed as Company Secretary w.e.f June 03, 2019.

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), Mrs. Smita Bhandari (Member) and Mr. Aditya Kaushik (Member).

21. EFFICIENT INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Adequate internal controls have been laid down by the Company to safeguard and protect its assets as well as to improve the overall productivity of its operations. All the transactions are properly authorized, recorded and reported to the management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The detailed process of review not only ensures reliability of control systems and legal compliances with applicable legislation, defined policies and processes but also reviews efficiency of systems and ensures safeguarding of tangible and intangible assets.

22. STATUTORY AUDITORS

M/s Gandhi Minocha & Co., are our Statutory Auditors for a period of five years.

23. 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. Amit Kumar, 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".

24. SECRETARIAL AUDITORS OBSERVATION

1. There was a delay in filing of E-form CHG-1 (Creation and Modification of Charge) with the Registrar of Companies, as per Section 77, 78 and 79 of the Companies Act, 2013.

Management Reply

1. Due to oversightness of Secretarial Department, there was delay in filing of said e-form, Management of the Company assure you that effective and efficient steps will be taken by the Company to Comply all the compliances within the stipulated time period.

25. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

26. 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 behaviour, 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.

27. 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 2018-19, the Company has not received any complaints of sexual harassment.

28. 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.

29. 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”.

30. 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.

31. PARTICULARS OF REMUNERATION

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.

32. 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.

33. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended 31st March, 2019 and state that:

- (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.

34. 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.

35. 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”.

36. '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.

37. OTHER DISCLOSURES

- » The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
- » There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future;
- » Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
- » The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors; and
- » Your Company got the Listing approval from BSE Limited on 16th day of March 2018, However Corporate Identification Number of the Company still represent that it is unlisted Company. Your Directors have filed the required documents with Registrar of Companies NCT of Delhi & Haryana to update the CIN of Company.
- » The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- » During the year under review, your Company has passed resolution through postal ballot for shifting of registered office from the state of Himachal Pradesh to Haryana, Increase the Authorised Share Capital and Issue of fully paid up bonus shares in the proportion of 1 (One) new fully paid up equity shares of Rs. 10/- (Rupees Ten Only) for every 2 (Two) existing fully paid up equity shares of Rs. 10/- (Rupees Ten Only).

38. 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 of
Inflamm Appliances Limited**

Reg. Office:
Khewat Khatoni No. 45/45,
Khasra No. 942/855/1 Village Kalyanpur Tehsil-Baddi
Baddi Solan HP 173205

Sd/-
Dinesh Kaushik
Whole Time Director
DIN: 07971536

Place: Baddi (H.P.)
Dated: June 03, 2019

Sd/-
Aditya Kaushik
Chairman & Managing Director
DIN: 06790052

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;	The Company has been taking energy saving measures viz., Use of energy saver electrical equipments, LED fittings are provided inside the building for common area lighting in the projects of the Company, Efficient ventilation system in offices and the projects of the Company.
(iii)	The capital investment on energy conservation equipment;	NIL

B. TECHNOLOGY, ABSORPTION, ADOPTION & INNOVATION:

(i)	The efforts made towards technology absorption;	The activities of the Company at present do not involve technology absorption and research and development
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
(iii)	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:	Rs. 30,86 582
The Foreign Exchange loss during the year in terms of actual outflows:	Rs. 8,86,07,135

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 of
Inflammé Appliances Limited**

Reg. Office:
Khewat Khatoni No. 45/45,
Khasra No. 942/855/1 Village Kalyanpur Tehsil-Baddi
Baddi Solan HP 173205

Sd/-
Dinesh Kaushik
Whole Time Director
DIN: 07971536

Place: Baddi (H.P.)
Dated: June 03, 2019

Sd/-
Aditya Kaushik
Chairman & Managing Director
DIN: 06790052

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

As on the financial year ended on 31st March, 2019
[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:

1	CIN	U74999HP2017PLC006778
2	Registration Date	14th November, 2017
3	Name of the Company	Inflame Appliances Limited
4	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5	Address of the Registered office & contact details	Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur Tehsil-Baddi, Solan - 173205, Himachal Pradesh, India Contact Detail: 01795-246820
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited 1st Floor, D-153A, Okhla Industrial Area, Phase I, New Delhi 110020 Ph. No. 011 2681 2682, 6473 2681

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more 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.	996114	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

[illegible]

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	708000	-	708000	17.70	399406	-	399406	6.66	(11.04)
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	20000	-	20000	0.50	888000	-	888000	14.80	14.30
c) Others									
(c-i) Bodies Corporate	354000	-	354000	8.85	161594	-	161594	2.69	(6.16)
(c-ii) Non Resident Indians	10000	-	10000	0.25	3000	-	3000	0.05	-
(c-iii) Resident Indian HUF	56000	-	56000	1.40	348000	-	348000	5.80	4.87
Clearing member	-	-	-	-	-	-	-	-	-
Trust	52000	-	52000	1.30	-	-	-	-	(1.30)
Others	-	-	-	-	-	-	-	-	-
Sub - Total (B) (2)	1200000	-	1200000	30.00	1800000	-	1800000	30.00	-
Total public shareholding (B) = (B) (1) + (B)(2)	1200000	-	1200000	30.00	1800000	-	1800000	30.00	
C: Shares Held By Custodian For GDRS & ADRS	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	4000000	-	4000000	100.00	6000000	-	6000000	100.00	50.00%

a. Shareholding of Promoters & Promoter Group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2018			Shareholding at the end of the year as on			% change in share holding 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	2445600	61.14	-	3668400	61.14	-	-
2	Dinesh Kaushik	330400	8.26	-	495600	8.26	-	-
3	Aneesha Kaushik	4800	0.12	-	7200	0.12	-	-
4	Usha Kaushik	4800	0.12	-	7200	0.12	-	-
5	Ruchi Kaushik	4800	0.12	-	7200	0.12	-	-
6	Anita Kaushik	4800	0.12	-	7200	0.12	-	-
7	Amit Kaushik	4800	0.12	-	7200	0.12	-	-

Note: Change in shareholding is due to allotment of Bonus shares in the ratio of 1:2.

ii. Shareholding of Promoters & Promoter Group:

S. No	Name of the share holder	Shareholding at the beginning of the year as on 01-04-2018		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	24,45,600	61.14	31.03.2019	Bonus Issue	12,22,800	20.68	36,68,400	61.14
2	Dinesh Kaushik	3,30,400	8.26	31.03.2019	Bonus Issue	1,65,200	2.75	4,95,600	8.26
3	Amit Kaushik	4,800	0.12	31.03.2019	Bonus Issue	2,400	0.40	7,200	0.12
4	Aneesha Kaushik	4,800	0.12	31.03.2019	Bonus Issue	2,400	0.40	7,200	0.12
5	Usha Kaushik	4,800	0.12	31.03.2019	Bonus Issue	2,400	0.40	7,200	0.12
6	Ruchi Kaushik	4,800	0.12	31.03.2019	Bonus Issue	2,400	0.40	7,200	0.12
7	Anita Kaushik	4,800	0.12	31.03.2019	Bonus Issue	2,400	0.40	7,200	0.12

Note: Change in shareholding is due to allotment of Bonus shares in the ratio of 1:2.

iii. 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 (01-04-2018)		Increase/ Decreases shareholding		Cumulative Shareholding during the year (01-04-2018 to 31-03-19)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares
1	Beeline Broking Limited	342000	5.70	-34200	5.70	Nil	Nil
2	Raj Kumari Vimalchand	Nil	Nil	123000	2.05	123000	2.05
3	Excel Stock Broking Pvt. Ltd.	Nil	Nil	123000	2.05	123000	2.05
4	Rajesh Tripathi	Nil	Nil	87000	1.45	87000	1.45
5	Gotham Chand A HUF	Nil	Nil	75000	1.25	75000	1.25
6	M Shikar	Nil	Nil	72000	1.20	72000	1.20
7	Gunavanth Kumar HUF	Nil	Nil	66000	1.10	66000	1.10

8	G Prakash Chand Baid HUF	Nil	Nil	63000	1.05	63000	1.05
9	P Anitha	Nil	Nil	57000	0.95	57000	0.95
10	Nav Ratan Bhaiya	Nil	Nil	54000	0.90	54000	0.90
11	EW Clover Scheme	52000	0.87	-52000	0.87	Nil	Nil
12	Gaurav Jitendrakumar Shah	20000	0.33	-20000	0.33	Nil	Nil
13	Swastika Investmart Limited	10000	0.17	-10000	0.17	Nil	Nil
14	Shishir R. Tejpal	6000	0.10	3000	0.05	9000	0.15

IV. Shareholding of Directors and Key Managerial Personnel: -

S. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01-04-2018		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	24,45,600	61.14	31.03.2019	Bonus Issue	12,22,800	20.38	36,68,400	61.14
2	Dinesh Kaushik	3,30,400	8.26	31.03.2019	Bonus Issue	1,65,200	2.75	4,95,600	8.26
3	Amit Kaushik	4,800	0.12	31.03.2019	Bonus Issue	2,400	0.04	7,200	0.12
4.	Anita Kaushik	3,000	0.21	31.03.2019	Bonus Issue	1,800	0.04	4800	0.12
5.	Mr. Abhimanyu	--	--	--	--	--	--	--	--

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018):				
i) Principal Amount	6,066,199	-	-	6,066,199
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,066,199	-	-	6,066,199
Change in Indebtedness during the financial year:				
* Addition	28,085,853	-	-	28,085,853
* Reduction	-	-	-	-
Net Change	28,085,853	-	-	28,085,853
Indebtedness at the end of the financial year (31.03.2019):				
i) Principal Amount	34,152,053	-	-	34,152,053
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	34,152,053	-	-	34,152,053

i. 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/WTD/Manager			Total Amount
		Aditya Kaushik	Dinesh Kaushik	Anita Kaushik	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	5,25,000	6,00,000	35,25,000
	(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	-	-	-	-
	Total (A)	24,00,000.00	5,25,000.00	600,000.00	35,25,000

Remuneration to other directors:

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

B. 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	24,00,000.00	465,000.00	28,65,000.00
	(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	-	-	-
	Total	24,00,000.00	465,000.00	28,65,000.00

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)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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: Inflamm 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 2018-19.

- 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	15,526,246
Kaushik Kreation- Proprietorship Concern of Mr. Aditya Kaushik (Director)	Sale of Material: Selling of Pan Supports for Welding	NA	NA	7,658,324
Super Packaging Related party	Sale and Purchase of Carton Box and Packaging Box	NA	NA	1,890,913

ANNEXURE - IV

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

*[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 Inflame 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 my 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 31st March, 2019 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 me and maintained by the Company as per Annexure A for the Financial Year ended on 31st March, 2019 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'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. 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;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. 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)]
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the period)
 - f. 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
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the period) and
 - h. 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 mentioned above subject to the following observation.

1. During the year under review, there was a delay in filing of E-form CHG-1 (Creation and Modification of Charge) with the Registrar of Companies, as per Section 77, 78 and 79 of the Companies Act, 2013.

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.

I 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.

Amit Kumar
Practicing Company Secretary
ACS No. 48528
CP. No. 21725

Place: New Delhi

Date: May 28, 2019

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 31st March, 2019

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 : New Delhi

Date: May 28, 2019

Amit Kumar
Practicing Company Secretary
ACS No. 48528
CP. No. 21725

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 2018-19.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Economic Scenario and Outlook

The Indian economy started the fiscal year 2018 with an upward trajectory showing a robust growth of 7.4%. The improvement in the economic scenario has led to increase in investments in several sectors of the economy. In the union budget 2019, the Government has committed to further strengthen infrastructure initiatives. We believe that these will positively impact cement demand and boost economic growth. The silver linings on the horizon are that World Bank has forecast that private investments in India shall grow by 8.8% in FY 2018-19 to overtake private consumption growth of 7.4%, and thereby drive the growth in India's Gross Domestic Product (GDP) in FY 2018-19.

Investments are expected to flow in sync with a rising trend in capacity utilization. Approximately 1.29 million houses have been constructed till December 2018, under Government of India's Pradhan Mantri Awas Yojana (Urban).

Pradhan Mantri Ujjwala Yojana is an ambitious social welfare scheme of Narendra Modi Government launched on 1st May 2016 from Ballia in Uttar Pradesh. Under the PM Ujjwala Yojana, the government aims to provide LPG connections to BPL households in the country. The scheme is aimed at replacing the unclean cooking fuels mostly used in the rural India with the clean and more efficient LPG (Liquefied Petroleum Gas).

A total budgetary allocation of Rs. 8000 Crore has been made by the government for the implementation of the scheme over three years. The scheme will be implemented using the money saved in LPG subsidy through the "Give-it-Up" campaign.

India is home to more than 24 Crore households out of which about 10 Crore households are still deprived of LPG as cooking fuel and have to rely on firewood, coal, dung – cakes etc. as primary source of cooking. Scheme, aimed at supplying free liquefied petroleum gas (LPG) connections to poor families, had a target of reaching out to 80 million families by 2020.

The Government of India, under the "Make in India" initiative, has provided an environment to give a boost to the manufacturing sector and aims to take it up to 25% of the GDP from the current 17%. It also aims to increase the purchasing power of the average Indian consumer, which would further boost demand, and stimulate development, in addition to benefitting investors. The Government's "Digital India" initiative, which focuses on three core components; creation of digital infrastructure, delivering services digitally and increasing digital literacy will lead to empowerment in the rural areas.

National Policy on Electronics Policy was passed by the Ministry of Electronics & Information Technology in February 2019.

The Union Cabinet has approved incentives up to Rs 10,000 crore (US\$ 1.47 billion) for investors by amending the M-SIPS scheme, in order to further incentivise investments in electronics sector, create employment opportunities and reduce dependence on imports by 2020.

OUTLOOK - INDIAN APPLIANCE AND CONSUMER ELECTRONICS

Indian appliance and consumer electronics (ACE) market reached Rs 2.05 trillion (US\$ 31.48 billion) in 2017. It is expected to increase at a 9 per cent CAGR to reach Rs 3.15 trillion (US\$ 48.37 billion) in 2022. Electronics hardware production in the country reached Rs 3.88 trillion (US\$ 60.13 billion) in FY18, growing at a CAGR of 26.7 per cent between FY14-18. Demand for electronics hardware in India is expected to reach US\$ 400 billion by FY24.

There is a lot of scope for growth from rural markets with consumption expected to grow in these areas as penetration of brands increases. Overall consumer durable exports reached US\$ 0.78 billion in 2017. Consumer electronics exports from India reached US\$ 451.29 million in FY19.

Also demand for durables like refrigerators as well as consumer electronic goods are likely to witness growing demand in the coming years in the rural markets as the government plans to invest significantly in rural electrification. The S&P BSE Consumer Durables Index has grown at 16 per cent CAGR between 2010-18. Consumer durables index under the Index of Industrial Production (IIP) has grown 6.4 per cent year-on-year between April 2018-February 2019.

White goods industry in India is highly concentrated. In washing machines and refrigerators, top five players have more than 75 per cent market share, while in air conditioners and fans it is around 55-60 per cent. On the other hand, kitchen appliances segment is fragmented with top five players having 30-35 per cent market share.

Growing awareness, easier access, and changing lifestyles have been the key growth drivers for the consumer market. The Government of India's policies and regulatory frameworks such as relaxation of license rules and approval of 51 per cent foreign direct investment (FDI) in multi-brand and 100 per cent in single-brand retail are some of the major growth drivers for the consumer market.

The Kitchen appliances market grew a healthy double digit rate over the last decade, driven by various factors such as increasing number of household, growing working community, expanding 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/cook tops, Electrical Chimney and Sheet Metal Components. Earlier manufacturing facilities are 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. During the recent years Company bought 12175 sq meter of land on NH73, near Panchkula, Haryana for setting up new facility where approx 4500 Sq meter of sheds/office blocks are already Constructed. The Company shifted all its operations from Baddi, Himachal Pradesh to this new facility in phased manner during this year.

Inflame Appliances Limited is an IS 4246:2002 certified company and engaged in manufacturing of LPG Gas Stove/ Cook tops 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, Electrical Chimneys, Hobs and Sheet Metal Components .

Company has Marketing agreements with Oil Marketing Companies to market, sell, distribute and promote LPG Stoves to domestic consumers using their Distribution channel which has over 16000 distributors across India. Currently Company supplies its products in the brand name of "INFLAME" through a network of its 40+ Distributors across India.

Apart above, your Company is also setting up its own distribution network for open markets to sell its products under the Brand Name of "INFLAME" in major states in India. Recently, Distributors Network has been set up in the States of Maharashtra, Gujarat, West Bengal, Uttar Pradesh, Punjab, Haryana, Jammu & Kashmir and Himachal Pradesh. In time to come, this distribution network would be spread across pan-India and complete product range would be offered to consumers through this distribution network.

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.

Company is also involved in manufacturing different models of gas stoves for Hindware since about 4 years and currently contribute to over 80% of their total demand. Recently, this partnership is also extended to manufacture chimneys for them. Apart from Hindware, your company has recently got into an agreement with AKAI INDIA for being exclusive manufacturer of electrical chimneys, Hobs and gas stoves for them under their brand. This partnership is expected to generate huge business opportunities for both companies. Your company has also been selected by BSH Home Appliances (BOSCH SIEMENS HOME APPLIANCES) to be in their pool of suppliers for Chimney. Recently, your company is also approved by Sun flame Appliances for supply of chimney under their brand name.

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 stove 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 parts firstly our Quality Control department inspects these materials. After inspection the material quality department segregate the best quality material and after approval of the quality of material, these materials are stored at a specific location. The assembly of stoves takes place on assembly lines. Then 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 "Inflamm", we regularly review our quality systems to determine their effectiveness and identify areas for improvement. Inflamm 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 location 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 Aluminium Mixing Tube, Toughened Glass, Pan Support Rings and Various Rubber Components which are available in neighbouring 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 neighbouring 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

Company has Marketing agreements with Oil Marketing Companies to market, sell, distribute and promote LPG Stoves to domestic consumers using their Distribution channel which has over 16000 distributors across India. Currently Company supplies its products in the brand name of "INFLAME" through a network of its 40+ Distributors across India.

Apart above, your Company is also setting up its own distribution network for open markets to sell its products under the Brand Name of "INFLAME" in major states in India. Recently, Distributors Network has been set up in the States of Maharashtra, Gujarat, West Bengal, Uttar Pradesh, Punjab, Haryana, Jammu & Kashmir and Himachal Pradesh. In time to come, this distribution network would be spread across pan-India and complete product range would be offered to consumers through this distribution network.

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 endeavour 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 current year like Electrical Chimney, Glass Hobs and other Cooking Ranges and we are now in the process of introducing more new in coming years. 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 endeavours 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 are 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/ Cook tops in various range like LPG Gas Stove/ Cook tops 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, Electrical Chimneys, Hobs and Sheet Metal Components. Our company's total sale was up by 72% to Rs.5511 Lakhs in FY 19 against RS 3212 Lakhs in FY 18.

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'.

Company has completed the process of registering with Railway Coach Factory (RCF) for supplying of various stainless steel /mild steel components which are used in railway passenger wagon. Company's unique facility are able to offer various components for railway coaches coaches and company looks forward this segment and expect 5-10% of total revenue from this segment.

Company started exports of various models of chimneys and gas stoves in nearby countries and have initiated process of exporting its products to various African countries. During current financial year, your company expects to achieve 15-20% of total revenue through exports

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 has 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 Companies Act, 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

7. FINANCIAL AND OPERATIONAL PERFORMANCE

The Company Inflamm Appliances Limited was incorporated by way on Conversion of erstwhile Partnership Firm Techno Engineering Corpn. Company's performance during last Financial Year 2017-18 was partly in the name of Techno Engineering Corpn. and partly in the name of Inflamm 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 Inflamm Appliances Limited. Aggregating a total of Rs. 32.12 Crores in FY17-18 and increased to Rs 55.11 Crores in FY18-19 registered the growth of 72 %.

The years 2018-19 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 clients which will boost our turnover and profit in coming years.

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 31, 2019 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
Whole Time Directors (Executive Directors)			
1.	Mr. Aditya Kaushik	06790052	Chairman & Managing Director
2.	Mr. Dinesh Kaushik	07971536	Whole Time Director
3.	Mrs. Anita Kaushik	07971788	Whole Time Director
Non-Executive Directors			
1.	Mr. Akshay Kumar Vats	08020018	Independent Director
2.	Ms. Smita Bhandari	08205214	Independent Director
3.	Mr. Udit Chandiok	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.

(B) Other provisions as to Board and its Committees

(i) Details of Board Meetings held during the financial year 2018-19

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 2018-19, Nine (9) Meetings of Board of Directors of the Company were held on (i) April 13, 2018, (ii) May 18, 2018, (iii) May 28, 2018, (iv) July 21, 2018, (v) August 13, 2018, (vi) August 28, 2018, (vii) November 13, 2018, (viii) February 09, 2019 and (ix) March 31, 2019.

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 2018-19, 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 2018-19, 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, 2019 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. No	Name of the Director	Board Meetings			Whether attended last AGM	As on March 31, 2019		
		Held during the year	Attended	% of Attendance		No. of other Directorships	No. of other Committee Memberships	
							As Chairman	As Member
1.	Mr. Aditya Kaushik	9	9	100	Yes	Nil	Nil	Nil
2.	Mr. Dinesh Kaushik	9	9	100	Yes	Nil	Nil	Nil
3.	Mrs. Anita Kaushik	9	9	100	Yes	Nil	Nil	Nil
4.	Mr. Akshay Kumar Vats	7	7	100	Yes	Nil	Nil	Nil
5.	Ms. Smita Bhandari	3	3	100	Yes	Nil	Nil	Nil
6.	Mr. Udit Chandiok	9	9	100	Yes	Nil	Nil	Nil

Notes:

- (1) The number of other directorships excludes directorships held in Private Limited Companies, Foreign Companies and that of the Company.
- (2) 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, 2019 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, 2019, 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 was constituted in the year 2017 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 2018-19, 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	2	2	100	Yes
2.	Mr. Udit Chandiok	Member	1	1	100	
3.	Mr. Aditya Kaushik	Member	2	2	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;
- (viii). Approval or any subsequent modification of transactions of the Company with related parties;
- (ix). Scrutiny of inter-corporate loans and investments;
- (x). Examination of the financial statement and the auditors' report thereon;
- (xi). Evaluation of internal financial controls and risk management systems;
- (xii). Establish a vigil mechanism for directors and employees to report genuine concerns in
- (xiii). Such manner as may be prescribed;
- (xiv). 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;
- (xv). The audit committee shall review the information required as per SEBI Listing Regulations.
- (xvi). 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.

3.2 NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration of the Company was constituted in the year 2017 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, 2019, 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.	Mr. Udit Chandiok	Chairman	1	1	100	Yes
2.	Ms. Smita Bhandari	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.

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 2018-19 are as under:

(Amt in Rs.)

Particulars	Mr. Aditya Kaushik	Mr. Dinesh Kaushik	Mrs. Anita Kaushik
Salary	24,00,000.00	525,000.00	6,00,000.00
Contribution to PF & Other Funds	-	-	-
Total	24,00,000.00	525,000.00	6,00,000.00

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, 2019.

The details of sitting fees paid to the Non-Executive Directors during the financial year 2018-19 are given below:

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

c. Details of shares of the Company held by the Directors as on March 31, 2019 are given below:

Sr. No.	Name of the Director	No. of Equity Shares held
1	Mr. Aditya Kaushik	36,68,400
2	Mr. Dinesh Kaushik	4,95,600
3	Mrs. Anita Kaushik	7,200
4	Mr. Akshay Kumar Vats	Nil
5	Ms. Smita Bhandari	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, 2019, 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			Attendance at last AGM
			Held during the year	attended	percentage of attendance	
1.	Ms. Smita Bhandari	Chairman	1	1	100	Yes
2.	Mr. Udit Chandiok	Member	2	2	100	
3.	Mr. Aditya Kaushik	Member	2	2	100	

The quorum of meeting of the Stakeholders Relationship Committee is two members including the Chairman of the Committee.

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 2018-19, 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, 2019	Nil

Name, designation and address of Compliance Officer:

Mr. Amit Kaushik, CEO, CFO & 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@inflameindia.com

Website: www.inflameindia.com

GENERAL BODY MEETING:

(a) Annual General Meetings (AGM):

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

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolutions passed
1st	2017-18	28th September, 2018	11.00 A.M.	Hotel Le Meridian, 9th K.M. Milestone, Baddi - Nalagarh Road, NH 21-A Kishanpura, Nalagarh, Himachal Pradesh 174101	Yes

(b) Extra ordinary General Meetings (EGM)/ Postal Ballot:

Day, Date and Time of EGM	Venue	Special Resolutions passed
Saturday, March 16, 2019 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

(c) Resolutions Passed Through Postal Ballot:

During the financial year ended March 31, 2019, One Special Resolution was passed (Shifting of registered office of the Company from the state of Himachal Pradesh to the state of Haryana) through postal ballot and as on the date of this Report there is no special resolution proposed to be conducted through postal ballot. Ms. Tanu Sharma Company Secretary has conducted the postal ballot process

S. No.	Particulars
1	Date of the Resolution of the Board for the following: i. Approve the Notice for Postal Ballot process along with the Explanatory statement and format of Postal Ballot Form. ii. Appointment of Scrutinizer.
2.	Date of Completion of Dispatch of notice along with Postal Ballot Form
3.	i. Release of Advertisement in the newspaper giving the: ii. Date of completion of dispatch of the Notice and Postal Ballot Forms. iii. Last date for receipt of Postal Ballot Forms by the scrutinizer.
4.	Last date for receipt of Postal Ballot Forms by the scrutinizer.
5.	Last date of handing over by the scrutinizer of the Postal Ballot Forms, the register maintained in accordance with Rule of Postal Ballot Rules
6.	Date of Declaration of the result by the Managing Director.
7.	Result to be displayed on the Notice Board/Stock Exchange.
8	Last date of signing of the Minutes book by the Chairman in which the results of the Postal Ballot is recorded.

Voting Pattern

Particulars	Total Votes	Total Votes Cast in favour of the resolution	Total Votes Cast against the resolution
Resolution 1	2808000	28,08,000 (100.00% of the total valid votes casted)	Nil (0% of the total valid votes casted)
Resolution 2	2808000	28,08,000 (100.00% of the total valid votes casted)	Nil (0% of the total valid votes casted)
Resolution 3	2808000	28,08,000 (100.00% of the total valid votes casted)	Nil (0% of the total valid votes casted)

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

Mr. Amit Kumar, Practicing Company Secretaries, New Delhi has conducted Secretarial Audit for the financial year 2018-19 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.inflammindia.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

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

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.

The Company affirms that a Whistle Blower Policy/ Vigil Mechanism is in place and no person has been denied access to the Competent Authority.

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.

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.inflamméindia.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 May 31, 2019 while considering the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2019.

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:

Date & Time	Saturday, June 29, 2019 at 09:30 A.M
Venue	BBNIA (Baddi Barootiwala Nalagarh Industries Association) EPIP- Jharmajri Road, EPIP Phase-1, Jharmajri, Baddi. (District Solan), Himachal Pradesh 174130

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 June 29, 2019.

iii. Financial Calendar:

Year ending	March 31, 2019
AGM in	June
Dividend Payment	Rs. 0.50 per equity share, @5% of the face value of Rs. 10

iv. Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, June 23, 2019 to Saturday, June 29, 2019 (Both days inclusive).

v. Listing on Stock Exchanges: Inflamm shares is listed on the following Stock Exchange:

Name & Address	Telephone / Fax / E-mail ID / Website	Scrip Code
BSE Limited (BSE SME) 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.	Telephone: (022) 22721233/4 Fax: (022) 22721919 E-mail ID: corp.relations@bseindia.com Website: www.bseindia.com	541083

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.

Market Price Data: The closing market price of equity shares on 31st March, 2019 (last trading day of the year) was Rs. 151 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, 2019	227.00	29.15	27,27,000

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;

Investor Grievance Email: grievances@skylinerta.com

Website: 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, 2019:

By category of shareholders:

S. No.	Category	No. of Shareholders	No. of Shares held	% of Shareholding
1.	Promoters & Promoter Group	7	4200000	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	100	513406	8.56%
	[a(ii)] Individuals- (ii) Individual shareholder shareholding nominal share capital in excess of Rs. 2 lakhs	17	774000	12.90%
	(b) NBFCs registered with SEBI	-	-	-
	(c) Employee Trusts	-	-	-
	(d) Overseas Depository (holding DRs) (balancing figure)	-	-	-
	(e) Any Other Specify	28	512594	8.54%
	-Bodies Corporate	8	161594	2.69
	-Non-Resident Indian (NRI)	1	3000	0.05
	Resident Indian HUF	19	348000	1.4
	Trusts	-	-	-
	Clearing Member	-	-	-
	Others	-	-	-
	Total	152	6000000	100.00%

Top Ten Equity Shareholders of the Company as on March 31, 2019:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of holding
1	Aditya Kaushik	3668400	61.14
2	Dinesh Kaushik	495600	8.26
3	Raj Kumari Vimal Chand	123000	2.05
4	Excel Stock Broking Pvt. Ltd.	123000	2.05
5	Rajesh Tripathi	87000	1.45
6	Gotham Chand and HUF	75000	1.25
7	M Shikar	72000	1.20

8	Gunavanth Kumar HUF .	66000	1.10
9	G Prakash Chand Baid HUF	63000	1.05
10	P Anitha	57000	0.95

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, 2019. 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 2019-20 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 2019-20 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. Amit Kaushik

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

Reg. Office:

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

Place: Baddi (H.P.)

Date: June 03, 2019

For and on behalf of the Board of
Inflame Appliances Limited

Sd/-
Dinesh Kaushik
Whole Time Director
DIN: 07971536

Sd/-
Aditya Kaushik
Chairman & 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: June 03, 2019

Place: Baddi, Himachal Pradesh

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

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Inflamm Appliances Limited
Solan, Himachal Pradesh, India

I have examined the compliance of conditions of Corporate Governance by Inflamm Appliances Limited ("the Company"), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

Based on my examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.

I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Amit Kumar
Company Secretary
Membership No. 48528 CP. No. 21725

Date: May 28, 2019

Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Member of
Inflame Appliances Limited
Khewat Khatoni No. 45/45, Khasra No. 942/855/1,
Village Kalyanpur Tehsil-Baddi, Solan - 173205,
Himachal Pradesh, India.

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Inflame Appliances Limited** having CIN U74999HP2017PLC006778 and having registered office at Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur, Tehsil-Baddi, Solan - 173205, Himachal Pradesh (hereinafter referred to as '**the Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Aditya Kaushik	06790052	14/11/2017
2.	Dinesh Kaushik	07971536	14/11/2017
3.	Anita Kaushik	07971788	14/11/2017
4.	Akshay Kumar Vats	08020018	05/01/2018
5.	Udit Chandiok	08020035	05/01/2018
6.	Smita Bhandari	08205214	28/05/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Date: May 28, 2019

Amit Kumar
Practicing Company Secretary
M. No. 48528
COP: 21725

INDEPENDENT AUDITOR'S REPORT

To the Members of Inflamm Appliances Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Inflamm Appliances Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matter are those matters that, in our professional judgement, were most significant in our audit of the financial statement of the current period. Keeping in view the materiality, there is no key matter to be reported separately.

Other Matter

The Comparative financial information of the company for the year ended March, 2018 included in these financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 28, 2018 expressed an unmodified opinion.

Our opinion is not modified in respect of above matter.

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 Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected

to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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".
- (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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
FRN: 000458N

GAURAV GANDHI)
PARTNER
M.NO. 501510

DATED: 29.05.2019
PLACE: Panchkula

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Inflamm Appliances Limited of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial reporting of INFLAME APPLIANCES LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the 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 with reference to financial statements 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 with reference to financial statements 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 prescribed under Sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial control with reference to financial statements 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 with reference to financial statements 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 authorizations of the Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, 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 GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
FRN: 000458N

DATED: 29.05.2019
PLACE: Panchkula

(GAURAV GANDHI)
PARTNER
M.NO. 501510

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Inflamm Appliances Limited of even date).

1) In respect of the Company's fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the copy of conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. However, we could not verify the original title deeds of the same as they are with the banks, being mortgaged against bank borrowings.

2) In our opinion, the inventories have been physically verified during the year by the management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.

3) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the company has not granted any loan to any company, firm or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.

4) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not provided any loans, investment, guarantee and security which may be covered under section 185 and 186 of the Companies Act, 2013.

5) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not accepted any deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules frame there under.

6) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Companies act .However turnover of the company of the preceding financial year is less than the specified limit, as such this clause is not applicable.

7) (a) According to information & explanations given to us and on the basis of our examination of the records of the Company amount deducted / accrued in the books of accounts in respect of the undisputed statutory dues including Income Tax, EPF, ESI, Custom duty, Labour welfare fund ,Goods& Service Tax and other material statutory dues as applicable to it have been generally regularly deposited during the year by the Company with the appropriate authorities and there is no undisputed amount payable in respect of aforesaid dues outstanding for a period of more than six months as on 31st March, 2019, as per the accounts of the company except, there is delay in depositing the dues relating to the Employees Provident fund beyond six months. Provident fund of month of June, July and August has been paid in February 2019 and March 2019 respectively.

(b) According to the information and explanations given to us, there is no due in respect of income tax, service tax, sales tax, goods and service tax, customs duty and excise duty, value added tax which have not been deposited on account of any disputes.

8) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans from banks and there is no borrowing by the company from financial institution, government or dues to debenture holders.

9) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

10) In our opinion and according to the information and explanation given to us no material fraud by the company or on the company by its officers & employees has been noticed or reported during the year.

11) In our opinion and according to information & explanation given to us, the company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V of the Act.

12) In our opinion and according to information & explanation given to us, the Company is not a Nidhi Company.

Therefore, the provisions of clause 3 (xii) of the Order are not applicable on the Company.

- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
FRN: 000458N

DATED: 29.05.2019
PLACE: Panchkula

(GAURAV GANDHI)
PARTNER
M.NO. 501510

NOTE –I**SIGNIFICANT ACCOUNTING POLICIES & ADDITIONAL INFORMATION****(a) Corporate Information**

INFLAME APPLIANCES LTD. (referred to as the 'Company') the primary business is manufacturing LPG Stove/ cooktops/Chimney and sheet metal components.

(b) Basis of preparation of financial statements:

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of Companies Act, 2013 (to the extent notified) and pronouncements of ICAI, as applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention.

(c) Summary of significant accounting policies**I. Use of estimates:**

The preparation of financial statements have been made in conformity with generally accepted accounting principles (GAAP), which requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the periods in which the results are known/materialize.

II. Fixed assets**(i) Property Plant & Equipment**

Property plant & equipment are stated at cost of acquisition less accumulated depreciation and impairment loss if any. Cost of acquisition is inclusive of inward freight, insurance, duties, levies and taxes and incidental expenses related to acquisition of such assets, Subsidy received against a specific asset has been reduced from the cost of the said asset

III. Intangible Assets:

- Intangible Assets are capitalized at cost if: -

(a) It is probable that the future economic benefits that are attributable to the asset will flow to the company, &

(b) The company will have control over the assets &

(c) The cost of these assets can be measured reliably & is more than Rs. 10000/-. Intangible assets are amortized over their estimated useful life not exceeding 3 years on straight line pro-rata monthly basis.

IV. Depreciation:

- Depreciation on tangible fixed assets has been provided on the basis of "Written Down Value Method" at the rates specified in Schedule II of the Companies Act, 2013. The depreciation amount of an asset is the cost of asset less residual value. The residual value has been taken at 5% of the original cost.

- Depreciation on addition to/deductions from tangible assets during the year is charged on pro-rata basis from/ up to the date on which asset is available for use/disposal.

- Assets valuing Rs. 5000/- or less are fully depreciated during the year in which asset is made available for use

V. Investments: -

- Investments are stated at cost. Income from Investments is recognized in the year, in which it is accrued.

VI. Inventories:

The basis of valuation of various categories of inventories are as

Raw Material : At cost of purchases (Indigenous/Imported)

Consumables & Spares : At cost of purchase

Stock in Process : At material cost & cost of conversion

Finished goods : Cost or net realizable value whichever is less

VII. Revenue recognition: Revenue is recognized to the extent that it can be reliably measured and is probable that the economics benefit will flow to the company. Revenue from sale of goods is recognized when the significant risks & rewards of ownership of the goods are transferred to the customers.

VIII. Events occurring after the date of balance sheet: - Events occurring after the date of Balance Sheet are considered up to the date of finalization of accounts wherever material.

IX. Foreign Exchange Transactions:

Foreign currency transactions are recorded in the books by applying the exchange rate as on the date of transaction. Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items are taken to the Profit and Loss Account.

Remaining monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end exchange rate and the exchange losses/gains arises there from are adjusted to the Profit & Loss Account.

X. BORROWING COST

Borrowing costs that are directly attributable to the acquisition of a qualifying asset is capitalized as part of the cost of the asset.

XI. Taxes on Income:-

Taxes on income for the current period are determined on the basis of taxable income under The Income Tax Act 1961.

Deferred tax is recognized subject to the consideration of prudence, on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and law enacted or substantively enacted on balance sheet date.

XII. Employee benefit expenses:

The employees of the Company are entitled to receive benefits with respect to Provident Fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate.

(i) Gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date.

(ii) Leave encashment benefits payable to employees are non-accumulating and are accounted on the basis of estimates as per company's policy.

XIII. Provisions and contingent liabilities: The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

XIV. Earning per share: The basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

XV. Cash and Cash Equivalent: The company recognizes the following items as a part of its Cash and Cash equivalent in accordance with Accounting Standard 3 "Cash Flow Statement"

- i. Cash in Hand
- ii. Balances with Bank
- iii. Highly liquid securities/Deposits having maturity less than 3 months

BALANCE SHEET FOR THE YEAR ENDED AS AT MARCH 31, 2019

Particulars	Note No.	Amount (In Rs.)	Amount (In Rs.)
		31.03.2019	31.03.2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	60,00,0000	40,000,000
(b) Reserves & Surplus	3	61,764,857	61,148,062
		121,764,857	101,148,062
(2) Non-Current Liabilities			
(a) Long Term Borrowing	4	15,857,023	6,066,199
(b) Deferred tax liabilities (Net)	5	1,582,682	147,740
(c) Other Long Term Liabilities	6	28,126,688	0.00
(c) Long Term Provisions	7	2,256,272	0.00
		47,822,666	6,213,939
(3) Current Liabilities			
(a) Short Term Borrowings	8	18,295,029	0
(b) Trade payables	9	120,827,836	79,141,281
(c) Other current liabilities	10	30,213,082	3,736,613
(d) Short-term provisions	11	127,994.00	495,069
		169,463,941	83,372,962
TOTAL EQUITY AND LIABILITIES		339,051,464	190,734,964
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	12	129,753,262	28,923,579
Capital work-in-progress	12	3,794,262	5,648,220
Intangible Assets under Development	12	376,658	-
(b) Long -term loans and advances	13	2,217,350	-
Other Non-Current Assets	14	7,091,495	23,557,081
		143,233,639	58,128,880
(2) Current Assets			
(b) Inventories	15	75,480,939	24,583,675
(c)Trade receivables	16	94,974,431	69,766,806
(d) Cash and cash equivalents	17	8,781,841	13,851,891
(e) Short-term loans and advances	18	855,981	19,400,637
(f) Other Current Assets	19	15,724,633	5,003,075
		195,817,825	132,606,084
TOTAL ASSETS		339,051,464	190,734,964
Summary of Significant Accounting Policies			
The accompanying notes 1 to 26 are an integral part of the financial statements	1		
Other Notes to Financial Statements	27		

For and On behalf of the Board of Inflammé Appliances Limited

As per Our Separate Report of Even Date
For M/s Gandhi Minocha & Co.
Chartered Accountant
F.R. No. 000458N

Sd/-
Dinesh Kaushik
Director
DIN – 07971536

Sd/-
Aditya Kaushik
Managing Director
DIN – 06790052

Sd/-
Amit Kaushik
Chief Financial Officer

Sd/-
Gaurav Gandhi
Partner
M. No. 501510

Place : Panchkula
Date : 29.05.2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2019

Particulars	Note No.	Amount (In Rs.)	Amount (In Rs.)
		31.03.2019	31.03.2018
REVENUE FROM OPERATION			
Sale of Products	20	551,104,756	89,907,039
Other Income	21	9,417,167	69,999
TOTAL REVENUE		560,521,923	89,977,038
EXPENSES			
Cost of Raw Materials Consumed	22	419,989,263	67,784,483
Decrease /(Increase) in FG & WIP	23	(21,765,380)	(640,539)
Employee Benefits Expense	24	37,519,571	5,033,245
Finance Cost	25	2,672,904	184,005
Depreciation and Amortization Cost	12	12,036,787	1,198,256
Other Expenses	26	81,577,237	12,476,363
TOTAL EXPENSES		532,030,382	86,035,813
Profit before Exceptional & Extra Ordinary Items & Taxes	(III-IV)	28,491,541	3,941,224
Exceptional Items/Extraordinary Items			
Profit Before Tax	(V-VI)	28,491,541	3,941,224
Tax Expense			
(1) Current tax		5,942,000	623,320
(2) Deferred tax		1,434,942	147,740
(3) MAT		(271,089)	127,877
(4) Short & Excess Provision of Tax Relating to Earlier Year		768,892	-
Profit / (Loss) for the period		20,616,795	3,042,287
Earnings per share (Rs.) Basic		3.44	0.51
Earnings per share (Rs.) Diluted		3.44	0.51
Summary of Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements	1		

For and On behalf of the Board of Inflammation Appliances Limited

As per Our Separate Report of Even Date
For M/s Gandhi Minocha & Co.
Chartered Accountant
F.R. No. 000458NSd/-
Dinesh Kaushik
Director
DIN – 07971536Sd/-
Aditya Kaushik
Managing Director
DIN – 06790052Sd/-
Amit Kaushik
Chief Financial OfficerSd/-
Gaurav Gandhi
Partner
M. No. 501510Place : Panchkula
Date : 29.05.2019

CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON MARCH 31, 2019

	Particulars	Amount (In '000)		Amount (In '000)	
		31.03.2019		31.03.2018	
A)	Cash flows from operating activities				
	Net profit before tax		20,616,795		39,412,24
	Adjustments for:				
	Deferred Tax		1,434,942		
	Depreciation	12,036,787		1,198,256	
	Provision for Gratuity	2,256,272			
	Interest Expenses	-		184,005	
	Interest receive on FDR	(501,735)	13,791,324	-	1,382,261
			35,843,061		5,323,485
	Operating Profit before working capital changes				
	Adjustment for:				
	Trade and Other Receivables	(25,207,624)		(69,766,806)	
	Inventories	(50,897,264)		(24,583,675)	
	Other Current Assets	(10,721,558)			
	Short Term Loan and Advances	18,544,656		(24,403,712)	
	Trade Payables	41,686,555			
	Other Current Liabilities	26,476,469		83,520,702	
	Short Term Borrowings	18,295,029		-	
	Short Term Provision	(367,075)		-	
	Other Long Term Liabilities	28,126,688		-	
	Other Long Term Loan & Advances	(2,217,350)		-	
	Other Non-Current Assets	16,465,586	60,184,113	-	(35,233,491)
B)	Cash Generated from Operations		96,027,174		(29,910,066)
	Income Tax Paid		-		(898,937)
	Pre-Operative Expenses Paid		-		(7,057,081)
	Cash Flow before Extraordinary Item		96,027,174		(37,866,024)
	Any Extraordinary Item		-		-
	Net cash from operating activities (A)		96,027,174		(37,866,024)
C)	Cash flows from Investing activities				
	Issue of Share Capital	-		40,000,000	
	Proceeds from Borrowings	9,790,824		6,066,199	
	Interest Expenses	-		(184,005)	
	Proceeds (Repayment) from Reserve	-	9,790,824	58,105,775	103,987,969
	Net cash from Financing Activities (C)		(9,790,824)		103,987,969
	Net change in Cash and Cash equivalents		13,851,891		-
	Closing cash and cash equivalents		8,781,841		13,851,891

For and On behalf of the Board of Inflamm Appliances Limited

As per Our Separate Report of Even Date
For M/s Gandhi Minocha & Co.
Chartered Accountant
F.R. No. 000458N

Sd/-
Dinesh Kaushik
Director
DIN – 07971536

Sd/-
Aditya Kaushik
Managing Director
DIN – 06790052

Sd/-
Amit Kaushik
Chief Financial Officer

Sd/-
Gaurav Gandhi
Partner
M. No. 501510

Place : Panchkula

Date : 29.05.2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 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.
- b) 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 out flow 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.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Authorised Capital		
60,00,000 Equity Shares of Rs. 10/- each	60,000,000	50,000,000
Issued, Subscribed and Paid Up Shares		
60,00,000 equity shares of Rs 10/- each fully paid up	60,000,000	40,000,000
TOTAL	60,000,000	40,000,000

A. The reconciliation of the number of shares outstanding: -

Particulars	31.03.2019	31.03.2018
	No. of Shares	No. of Shares
Number of shares at the beginning	4,000,000	-
Issued during the period	2,000,000	40,00,000
Number of shares at the end	6,000,000	40,00,000

B. Terms / rights attached to equity shares

- 1) The company has only one class of equity shares having par value of rs.10/- per share. Each equity shareholder is entitled for one vote per share.
- 2) During the year, the company has issued bonus shares in the ratio of 1:2 and has not bought back any shares.
- 3) Information of aggregate number and class of shares allotted as fully paid-up by way of bonus shares for the period of 5 years immediately preceding the date of balance sheet:

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Equity Shares	As a % of total holding	No. of Equity Shares	As a % of total holding
ADITYA KAUSHIK	3,668,400	61.14%	2,445,600	61.14%
DINESH KAUSHIK	495,600	8.26%	330,400	8.26%
Total	4,164,000	69.40%	2,776,000	69.40%

NOTE NO. 3 – RESERVES AND SURPLUS

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Securities Premium Account		
Opening Balance	55,557,000	-
Addition during the year	-	66,057,000
Less: Utilised for Bonus Issue	20,000,000	10,500,000
	35,557,000	55,557,000
Opening Balance	5,591,062	2,548,775
Add: Profit for the year	20,616,795	3,042,287
	26,207,857	5,591,062
TOTAL	61,764,857	61,148,062

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
SECURED LOANS		
TERM LOAN 00018 (CANARA BANK) 1	461,925	1,337,122
TERM LOAN 00017 (CANARA BANK)1	320,869	927,223
TRUCK LOAN (HDFC BANK)2	882,242	-
CAR LOAN VERNA (HDFC BANK)3	-	370,759
CAR LOAN ALTO (HDFC BANK)3	-	219,273
CAR LOAN CRETA (HDFC BANK)3	270,678	-
CAR LOAN BMW (BMW FINANCIAL SERVICES)4	1,833,299	3,211,823
CAR LOAN i10 GRAND (YES BANK)5	314,710	-
LOAN FROM TATA CAPITAL (1.40 Cr)6	10,111,450	-
LOAN FROM TATA CAPITAL (23L)6	1,661,850	-
TOTAL	15,857,023	6,066,199

1. TERM LOANS BY CANARA BANK IS SECURED AGAINST HYPOTHETICATION OF STOCK,BOOK DEBT AND COLLATERAL SECURITY OF ENTIRE FIXED ASSETS EXCLUDING MACHINERY HYPOTHICATED TO TATA CAPITAL, AND EMT OF FACTORY LAND AND BUILDING COMPRISING IN KHASRA NO 40//14/2(7-16), 15(8-0), 16/1(6-18), 17/1/1(1-13) PURCHASED & IS SITUATED IN VILLAGE BAGHWALI, HADBAST NO 19, TEHS. AND DISTT. PANCHKULA, ADMEASURING 24 KANAL 7 MARLA HARYANA IN THE NAME OF M/S LNFLAME APPTIANCES LIMITED. ALSO, PERSONAL GUARANTEE OF ADITYA KAUSHIK, DINESH KAUSHIK AND ANITA KAUSHIK.
2. TRUCK LOAN FROM HDFC BANK IS SECURED BY HYPOTHECATION OF TRUCK FOR WHICH LOAN HAS BEEN TAKEN AND FURTHER SECURED BY DIRECTOR'S GUARANTEE.
3. CAR LOAN FROM HDFC BANK IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN AND FURTHER SECURED BY DIRECTOR'S GUARANTEE.
4. CAR LOAN FROM BMW FINANCIAL SERVICES IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN AND FURTHER SECURED BY DIRECTOR'S GUARANTEE.
5. CAR LOAN FROM YES BANK IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN.
6. LOAN FROM TATA CAPITAL IS SECURED BY HYPOTHECATION AGAINST SPECIFIC MACHINERY FOR WHICH LOAN HAS BEEN TAKEN, AND A KEYMAN ISURANCE OFAMIT KAUSHIK (CEO)

NOTE NO. 5 – DEFERRED TAX LIABILITIES (NET)

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Deferred Tax Liability	-	-
Fixed Assets impact of difference between Tax	-	-
Depreciation and depreciation charged for the	-	-
Financial Reporting	2,210,377	147,740
Gross Deferred Tax Liability	2,210,377	147,740
Less: Impact of expenditure charged to the	-	-
Statement of P&I but not allowed for tax purpose on	627,695	-
Payment basis(gratuity)	-	-
Net Deferred tax liability	-	-
TOTAL	1,582,682	147,740

NOTE NO. 6 – DEFERRED TAX LIABILITIES (NET)

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Creditors against Capital Goods*	28,126,688	-
TOTAL	28,126,688	-

* THE BALANCE DUE TO THE PARTY IS FOR PAYMENT AGAINST MACHINERY, IS SECURED BY USANCE LC OF 3 YEARS ISSUED BY DBS BANK, DELHI BRANCH AND SECURITY PROVIDER IS TATA CAPITAL FINANCIAL SERVICES LTD., AND, THE USANCE LC LIMIT SANCTIONED BY DBS BANK HEREIN IS IN FURTHERANCE OF THE PROGRAM AGREEMNET EXECUTED BETWEEN DBS BANK AND TATA CAPITAL FINANCIAL SERVICES LIMITED ("TCFSL").

NOTE NO. 7 – LONG TERM PROVISIONS

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Provision for Gratuity	2,256,272	-
TOTAL	2,256,272	-

NOTE NO. 8 – SHORT TERM BORROWINGS

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Canara Bank CC(0598)	18,295,029	-
TOTAL	18,295,029	-

CC BY CANARA BANK IS SECURED AGAINST HYPOTHETICATION OF STOCK AND COLLATERAL SECURITY OF ENTIRE FIXED ASSETS EXCLUDING MACHINERY HYPOTHICATED TO TATA CAPITAL, AND EMT OF FACTORY LAND AND BUILDING COMPRISING IN KHASRA NO 40/14/2(7-16), 15(8-0), 16/1(6-18), 17/1/1(1-13) PURCHASED & IS SITUATED IN VILLAGE BAGHWALI, HADBAST NO 19, TEHS. AND DISTT. PANCHKULA, ADMEASURING 24 KANAL 7 MARLA HARYANA IN THE NAME OF M/S LNFLAME APPTIANCES LIMITED. ALSO, PERSONAL GUARANTEE OF ADITYA KAUSHIK, DINESH KAUSHIK AND ANITA KAUSHIK.

NOTE NO. 9 – TRADE PAYABLES

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Sundry Creditors (as per list 'I' attached)	118,479,462	79,141,281
Creditors for Capital Goods	2,348,374	-
TOTAL	120,827,836	79,141,281

NOTE NO. 10 – OTHER CURRENT LIABILITIES

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Expenses Payable	24,199,891	3,413,238
Advance from Clients	-	323,375
Secured Loans (Payable in years time)		
Car Loan Verna	29,962	-
Car Loan Alto	110,387	-
Car Loan BMW	716,385	-
Car Loan Creta	194,829	-
Truck Loan	325,919	-
'Car Loan i10 Grand	174,201	-

'Loan from Tata Capital(1.40 Cr.)	3,111,240	-
'Loan from Tata Capital(23L)	511,320	-
'Term Loan 17	303,177	-
'Term Loan 18	437,609	-
BANK O.D. 2451261000560	-	(568,003)
Interest accrued but not due	98,162	-
TOTAL	30,213,082	3,168,610

1. TERM LOANS BY CANARA BANK IS SECURED AGAINST HYPOTHECATION OF STOCK,BOOK DEBT AND COLLATERAL SECURITY OF ENTIRE FIXED ASSETS EXCLUDING MACHINERY HYPOTHICATED TO TATA CAPITAL, AND EMT OF FACTORY LAND AND BUILDING COMPRISING IN KHASRA NO 40//14/2(7-16), 15(8-0), 16/1(6-18), 17/1/1(1-13) PURCHASED SITUATED IN VILLAGE BAGHWALI, HADBAST NO 19, TEHS. AND DISTT. PANCHKULA, ADMEASURING 24 KANAL 7 MARLA HARYANA IN THE NAME OF M/S LNFLAME APPTIANCES LIMITED. ALSO, PERSONAL GUARANTEE OF ADITYA KAUSHIK, DINESH KAUSHIK AND ANITA KAUSHIK.
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5. CAR LOAN FROM YES BANK IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN.
6. LOAN FROM TATA CAPITAL IS SECURED BY HYPOTHECATION AGAINST SPECIFIC MACHINERY FOR WHICH LOAN HAS BEEN TAKEN, AND A KEYMAN ISURANCE OFAMIT KAUSHIK (CEO)

NOTE NO. 11 – SHORT TERM PROVISIONS

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Provision for Taxation	127,994	495,069
(Net of advance Tax ,TDS & TCS)		
TOTAL	127,994	495,069

NOTE NO. 12 – FIXED ASSETS

	GROSS BLOCK				
	As at	Additions	Deductions	As at	
	31st March 2018			31st March 2019	31st March 2019
TANGIBLE ASSETS					
Land	20,164,843	-	-	20,164,843	
Building	-	22,592,324	-	22,592,324	
Plant & Machinery	5,149,485	81,346,162	-	86,495,647	
Electrical Installation	32,068	3,308,898	-	3,340,966	
Generator	90,000	620,000	-	710,000	
Fire Extinguisher	63,918	-	-	63,918	
Office Equipment	-	237,128	-	237,428	
Lab Equipment	269,120	345,616	-	614,736	
Water Filter	7,000	35,800	-	42,800	
Air Conditioner	52,800	396,305	-	449,105	
Mobile	168,252	133,750	-	302,002	
Furniture & Fixtures	349,860	298,700	-	648,560	
Motor Vehicles	6,157,891	3,056,416	-	9,214,307	
CCTV	-	77,515	-	77,515	
Computer	232,395	418,468	-	650,863	
Tally 9 ERP	64,900	-	-	64,900	
	32,802,532	112,867,082	-	145,669,614	
Capital WIP	-	-	-	-	
Factory Building	5,591,279	3,794,262	5,591,279	3,794,262	
Equipment	56,941	-	56,941	-	
Total	5,648,220	3,794,262	5,648,220	3,794,262	
INTANGIBLE ASSETS UNDER DEVELOPMENT					
Software (SAP)	-	376,658	-	376,658	
Grand Total	38,450,752	117,038,002	5,648,220	149,840,534	

DEPRECIATION				NET BLOCK	
As at	Depreciation	Deductions	As at	As at	As at
31st March 2018			31st March 2019	31st March 2019	31st March 2018
-	-	-	-	20,164,843	20,164,843
-	529,406	-	529,406	22,062,918	-
1,256,862	8,621,327	-	9,878,189	76,617,457	3,892,623
14,397	478,825	-	493,222	2,847,744	17,671
50,527	72,455	-	122,982	587,018	39,473
50,012	6,151	-	56,163	7,755	13,906
-	42,117	-	42,117	195,011	-
105,770	126,802	-	232,572	382,164	163,350
4,501	6,873	-	11,374	31,426	2,499
17,550	124,570	-	142,120	306,985	35,250
51,700	79,347	-	131,047	170,955	116,552
143,583	93,747	-	237,330	411,230	206,277
2,013,147	1,625,999	-	3,639,146	5,575,160	4,144,744
-	6,451	-	6,451	71,064	-
162,155	180,297	-	342,452	308,412	70,240
8,749	42,419	-	51,168	13,732	56,151
3,878,953	12,037	-	15,916	129,754	28,923,579
-	-	-	-	-	-
-	-	-	-	3,794,262	5,591,279
-	-	-	-	-	56,941
-	-	-	-	3,794,262	5,648,220
-	-	-	-	376,658	-
3,878,953	12,036,787	-	15,915,740	133,915,740	34,571,799

NOTE NO. 13 – LONG TERM LOAND AND ADVANCES

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Mat Credit Entitlement	439,676	-
Deposit with NBFC against LC payment	1,777,674	-
TOTAL	2,217,350	

NOTE NO. 14 – OTHER NON CURRENT ASSETS

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Securities		
Security Deposits	1,444,830	16,500,000
Pre-Operative Expenses	7,057,081	7,057,081
Less: 1/5th to be written off	(1,411,416)	-
TOTAL	7,091,495	23,557,081

NOTE NO. 15 - INVENTORIES

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Raw Materials	49,426,549	20,294,665
W.I.P	7,055,780	-
Finished Goods	18,998,610	4,289,010
TOTAL	75,480,939	24,583,675

NOTE NO. 16 – TRADE RECEIVABLE

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Outstanding for Period Exceeding 6 Months	19,637,880	-
Others	75,336,551	69,766,806
TOTAL	94,974,431	69,766,806

NOTE NO. 17 – CASH & CASH EQUIVALENTS

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Balance with scheduled banks:		
'Canara Bank 579 (C/A)	25,871	12,622,975
'Indian Bank(4441)	9,434	-
Bank O.D. 2451261000560	83,042	-
Cash in Hand	625,494	660,913
Fixed Deposits		
Canara Bank*	8,038,000	-
TOTAL	8,781,841	13,283,888
• IN ABOVE FIXED DEPOSITS OF RS. 8038000 ARE UNDER LIEN WITH BANK AGAINST LC, TERM LOAN AND SECURITY DEPOSIT WITH OIL COMPANIES.		

NOTE NO. 18 – SHORT TERM LAONS AND ADVANCES

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Advances recoverable in cash or kind	745,909	4,200,923
Advance for Capital Goods	110,071	15,199,714
TOTAL	855,979	19,400,637

NOTE NO. 19 – OTHER CURRENT ASSETS

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Prepaid Expenses	1,409,285	849,100
Insurance	-	-
Channel access Fee	-	-
Interest accrued on FDR	306,590	-
Balance with Revenue Authorities		
'T.D.S. Receivable	-	1,122,100
'GST Recoverable	13,932,163	-
VAT Tax Recoverable	76,595	-
'TCS	-	43,000
Security Deposits	-	2,988,875
TOTAL	15,724,633	5,003,075

NOTE NO. 20 – REVENUEL FROM OPERATION

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Sales		
-	3,086,582	-
-	548,018,174	89,907,039
TOTAL	551,104,756	89,907,039

NOTE NO. 21 – REVENUEL FROM OPERATION

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Amount written back	2,356,237	-
Intt on F.D.R.	501,735	-
Discount received	2,395,483	-
Exchange fluctuation	4,149,631	-
Misc. Income	14,082	69,999
TOTAL	9,417,167	69,999

NOTE NO. 22 – PURCHASE/ CONSUMPTION OF RAW MATERIAL

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Opening Stock of Raw Material	20,294,665	10,795,214
Add: Purchases		
Import (foreign)	36,607,822	-
Duties & Taxes (Custom)	3,271,507	-
Clearing Charges	563,153	-
Purchase Inter Unit	-	-
Packing Material	13,493,277	-
Domestic Purchases	395,185,388	77,283,934
Less: Closing Stock		
Closing Stock of Raw Materials	49,426,549	20,294,665
TOTAL	419,989,263	67,784,483

NOTE NO. 23 – CHANGE IN INVENTORY OF FINISHED GOODS

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Closing stock of stock in trade		
WIP	7,055,780	-
Finished goods	18,998,610	4,289,010
Opening stock of stock in trade		
Finished goods	4,289,010	3,648,471
Decrease/(Increase) in stock in trade	(21,765,380)	(640,539)

NOTE NO. 24 – EMPLOYEE BENEFIT EXPENSE

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Salary and Wages	23,761,195	3,494,378
Director Remuneration	7,350,000	1,310,000
Contribution to PF / ESI	1,597,505	133,116
Provision for Gratuity	2,456,272	-
LWF Contribution	23,200	-
Production Incentive	1,358,829	-
Staff Welfare Expenses	972,570	95,751
	37,519,571	5,033,245

NOTE NO. 25 – FINANCE COST

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Interest on Vehicle Loans	438,847	55,259
Interest on Loans	2,186,984	116,297
Other Interest	47,072	12,449
TOTAL	2,672,904	184,005

NOTE NO. 26 – OTHER EXPENSE

Particulars	Amount (In Rs.)	Amount (In Rs.)
	31.03.2019	31.03.2018
Manufacturing and other Expenses :-		
Freight Inward	3,843,470	519,478
Job Work Charges	8,076,447	2,968,174
Factory Consumables	1,084,440	47,956
Loading & Unloading Exp.	247,671	30,632
Power Charges	1,975,525	85,492
Anti Dumping Duty	25,209	-
BIS Fee	2,878,514	-
Rates and Taxes	-	203,914
	18,131,277	3,855,646
Administrative Expenses :-		
Accounting Charges	75,000	-
Donation	13,000	220
Insurance	1,693,043	1,433
Rent (Flat)	79,750	31,500
Rent (Factory)	622,300	507,700
Telephone Expenses	84,061	31,560
Repair and Maintenance (others)	140,367	31,780
Software Renewal Expense	43,825	-

Postage and Courier	43,264	7,718
Printing & Stationary	105,497	20,425
Legal & Professional Charges	886,483	340,070
Social Welfare Surcharge	352,274	20,285
Travelling & Conveyance	1,820,112	160,667
Vehicle Running Exp.	581,631	138,642
Audit Fees	280,000	75,000
Administration Expense	15,000	-
	6,835,608	1,367,000
Selling and Distribution Expenses :-		
Selling Expenses	9,600	-
Business Promotion	416,291	183,150
Commission	46,875,472	6,137,432
Freight Outward	1,653,389	84,803
Transportation Charges	30,000	-
Discount Allowed	178	456,892
Channel Access Fees	2,169,883	166,670
	51,154,813	7,028,947
Misc. Expenses		
Bank charges	834,580	68,846
Bonus Issue Expenses	332,542	-
Designing Exp	31,250	-
Disbursement Fees	8,476	-
Diwali Gifts	202,401	-
Internet Expenses	24,500	-
Fines & Charges	155,017	-
Membership Fee	45,235	-
Foreign Exchange Loss	-	148,492
Advertisement	46,800	-
Bad Debts written off	679,028	-
Labour Charges	7,895	-
Intt u/s 234	368,114	-
Intt on TDS	2,783	-
Reimbursement Charges	140,524	-
Round off	(173)	-
Medical Expense	35,775	-
Repair and Maintenance (machine)	368,703	-
Research & Development	25,417	-
Security Guard Expenses	384,110	-
Website Maintenance Charges	112,500	-
Weightment Charges	7,680	-
Preliminary Exp. Written off	1,411,416	-

Misc. Exp.	14,886	-
Others	216,081	7,431
	5,455,539	224,7696
TOTAL	81,577,237	12,476,363

NOTE NO. 27

CONTINGENT LIABILITIES	NIL	NIL
	AS ON 31.03.2019	AS ON 31.03.2018
A) REMMUNRATION TO AUDITORS	250,000	
B) EXPENDITURE IN FOREIGN CURRENCY		
- Raw Material	36,607,822	
-Consumeable stores		
-Consumeable tools		
-Packing material		
-Research & development		
-Capital goods	51,389,106	
-Director foreign travel	610,207.00	
-Marketing and business promotion		
-Foreign travel-others		
- Repair & MTC.	-	
C) EARNING IN FOREIGN CURRENCY		
- F.O.B Value In Exports	3,086,582	
D) RELATED PARTY TRANSACTIONS :		
i) Director's Remuneration	7,350,000	
E) DEBTORS, CREDITORS AND LOANS & ADVANCES ARE SUBJECT TO CONFIRMATION, RECONCILIATION AND CONSEQUENTIAL IMPACT IF ANY.		
F) IN THE OPINION OF DIRECTORS, CURRENT ASSETS, LOANS & ADVANCES, IF REALIZED IN THE ORDINARY COURSE WILL THE SAME VALUE AT WHICH THESE ARE STATED IN THE BALANCE SHEET EXCEPT WHERE STATED OTHERWISE AND THE PROVISIONS HAVE BEEN MADE FOR ALL KNOWN LIABILITIES AND NO PERSONAL EXPENSES HAVE BEEN CHARGED IN THE ACCOUNTS.		
G) THE COMPANY IS IN THE PROCESS OF IDENTIFYING THE SUPPLIERS REGARDING THEIR STATUS UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006. HENCE DISCLOSURES, IF ANY,RELATING TO AMOUNTS UNPAID AS AT THE YEAR END TOGETHER WITH INTEREST PAID/PAYBLE AS REQUIRED UNDER THE SAID ACT HAVE NOT BEEN MADE.		
H) THE EFFECT OF FOREIGN EXCHANGE RATE VARIATIONS DURING THE YEAR		

Particulars	For The Year Ended 31.03.2019	For The Year Ended 31.03.2018
i) AMOUNT CHARGED TO STATEMENT OF PROFIT & LOSS ACCOUNT(GAIN)	4,149,631	(121,095.00)
TABLE 1 :- KEY ACTUARIAL ASSUMPTION FOR ACTUARIAL VALUATION AS AT :-		
PARTICULARS	31.03.2019	31.03.2018
MORTALITY TABLE	LIC (2006-08) ULTIMATE	-
DISCOUNT RATE	7.50%	0
SALARY ESCALATION	8.00%	0
OUR LIABILITY IN RESPECT OF GRATUITY IS RS. 2456272 AS PER THE ACTUARIAL VALUATION .HOWEVER THE COMPANY MAINTAINING THE GRATUITY FUND COULD NOT PROVIDE US WITH PROPER DISCLOSURES REQUIRED BY AS-15 AS THIS IS THE FIRST TIME WE HAVE MAINTAINED OUR GRATUITY FUND.		
K) IN COMPLAINE OF ACCOUNTING STANDARD-18 ON “RELATED PARTY TRANSACTION “, THE REQUIRED INFORMATION IS AS UNDER:-		

A) PAYMENT TO DIRECTORS	TRANSACTION TYPE		31.03.2019	31.03.2018
i) DIRECTOR'S REMUENERATION	REMUNERATION		7,350,000	1,310,000
USHA ENTERPRICES	SALE	5596321.26		
	PURCHASE	9609408		937428
	JOB WORK	320517	15526246.26	73420
OUTSTANDING BALANCE AS ON 31.3.2019			0	6675963.34
KAUSHIK KREATION				
SALE	1796318.8		678485	
	PURCHASE	45224	1841542.8	0
OUTSTANDING BALANCE AS ON 31.3.2019			7658323.81	10358478.75

SUPER PACKAGING	SALE	25594		-
	PURCHASE	1865319	1890913	-
OUTSTANDING BALANCE AS ON 31.3.2019				-

I) Directors in their Board Meeting held on 9th February 2019 have accorded approval:

(A) TO INCREASE THE AUTHORIZED SHARE CAPITAL OF THE COMPANY FROM RS. 5 CRORE DIVIDED INTO 50,00,000 EQUITY SHARES OF RS. 10/- EACH TO 6 CRORE DIVIDED INTO 60,00,000 EQUITY SHARES;AND

(B) TO TAKE APPROVAL FROM SHAREHOLDERS FOR ISSUANCE OF BONUS SHARES IN THE RATIO OF 1:2, BY CAPITALIZING THE SECURITIES PREMIUM ACCOUNT BY POSTAL BALLOT

FOR APPROVAL FOR THE SAME,VOTING THROUGH POSTAL BALLOT STARTED ON 14TH FEB, 2019 AND ENDED ON 16TH MARCH 2019, RESULT FROM THE APPROVAL WAS PUBLISHED ON 18TH MARCH,2019

CONSEQUENTLY, THE BOARD OF DIRECTORS OF THE COMPANY IN ITS MEETING HELD ON 31ST MARCH 2018 HAVE ACCORDED APPROVAL FOR ALLOTMENT OF 20,00,000 BONUS EQUITY SHARES (IN THE RATIO OF 1:2) TO THE EXISTING SHAREHOLDERS AS ON 31.03.2019 (RECORD DATE). THE ALLOTMENT WAS ALSO MADE ON 31.03.019 AND AS A RESULT OF THIS, PAID UP EQUITY SHARE CAPITAL OF COMPANY HAS INCREASED FROM RS. 4 CRORE (40,00,000 EQUITY SHARES OF RS.10 EACH) TO RS.6 CRORE (60,00,000 NO OF EQUITY SHARES OF RS.10 EACH).

L) EARNING PER SHARE

PARTICULARS	31.03.2019	31.03.2018
NET PROFIT AFTER TAX	20,616,795	3,042,287
WEIGHTED AVG. NO OF EQUITY SHARES	6,000,000	6,000,000
EARNING PER SHARE (IN RS.)	3.44	0.51
DILUTED EARNING PER SHARE	N.A.	N.A.

EPS FOR THE PREVIOUS YEAR HAS BEEN RESTATED AFTER TAKING EFFECT OF THE BONUS ISSUE.

M) DISCLOSURE AS PER AS-19

FUTURE LEASE PAYMENTS TO BE PAID	
0-1 YEARS	35,000
1-5 YEARS	384,000
LATER THAN 5 YEARS	NIL
TOTAL LEASE RENTALS EXPECTED	419,000
LEASE RENTALS RECOGNIZED IN P&L IN C.Y.	35,000

-THE BUILDING HAS BEEN TAKEN ON LEASED FOR A PERIOD OF 3 YEARS, WITH ANNUAL EXPECTED LEASE RENTALS OF RS.22,35,600/-.THE LEASE DOES NOT QUALIFY FOR ANY OF THE CONDITIONS OF FINANCIAL LEASE, IT IS TREATED AS OPERATING LEASE.

O) VALUE OF IMPORTED AND INDEGENOUS MATERIAL CONSUMED

i) DIRECTOR'S REMUENERATION	REMUNERATION			
PARTICULARS	31.03.2019		31.03.2018	
RAW MATERIAL	%AGE	VALUE	%AGE	VALUE
IMPORTED	8%	36,607,822	1	
INDIGENOUS	92%	395,185,388	0	

P) THE FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE ARE AS UNDER :

- ASSETS / RECEIVABLES (I.E. DEBTORS)		AS ON 31.03.2019		AS ON 31.03.2018
IN FOREIGN CURRENCY				
IN US \$	73,990			
IN EURO				
IN INDIAN CURRENCY				
IN US \$				
IN EURO				
- LIABILITIES/PAYABLES (I.E. CREDITORS)		AS ON 31.03.2019		AS ON 31.03.2018
IN FOREIGN CURRENCY				
IN US \$	156,511			-
IN EURO	-			-
IN INDIAN CURRENCY				
IN US \$	10,823,495			-
IN EURO	-			-
- LIABILITIES / PAYABLES (LONG TERM)		AS ON 31.03.2019		AS ON 31.03.2018
IN FOREIGN CURRENCY				
IN US \$	-			-
IN EURO	362,119			-
IN INDIAN CURRENCY				
IN US \$	-			-
IN EURO	28,126,688			-
Q) The company was incorporated on 14th November 2017 by conversion of the erstwhile Partnership firm "M/s Techno Engineering Corpn." into Company under the provisions of Companies Act 2013. The figures appearing in financial statement for the year 2017-18 are only of the company which was incorporated on 14th November 2017.				
Q) PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED/ REARRANGED, WHEREVER NECESSARY				

For and On behalf of the Board of Inflamm Appliances Limited

As per Our Separate Report of Even Date
For M/s Gandhi Minocha & Co.
Chartered Accountant
F.R. No. 000458N

Sd/-
Dinesh Kaushik
Director
DIN – 07971536

Sd/-
Aditya Kaushik
Managing Director
DIN – 06790052

Sd/-
Amit Kaushik
Chief Financial Officer

Sd/-
Gaurav Gandhi
Partner
M. No. 501510

Place : Panchkula
Date : 29.05.2019

CEO AND CFO CERTIFICATION

To,

**The Board of Directors
Inflame Appliances Limited**

We, Managing Director 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, except 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.
 - b. Any significant changes in internal controls during the year covered by this report.
 - c. All significant changes in internal controls during the year covered by this report.
 - d. 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.

**Place: Baddi, Himachal Pradesh
Date : June 03, 2019**

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

**Sd/-
Amit Kaushik
Chief Financial Officer**

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]

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

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

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

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 2nd Annual General Meeting of the company, to be held on the Saturday, June 29, 2019, at 09.30 AM at BBNIA (Baddi Barootiwala Nalagarh Industries Association) EPIP- Jharmajri Road, EPIP Phase-1, Jharmajri, Baddi. (District Solan), Himachal Pradesh 174130, 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, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and		
2.	To appoint a Director in place of Mr. Dinesh Kaushik (DIN-07971536) who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	To declare Dividend of Rs. 0.50 per equity share @ 5% of face value of Rs. 10 each		

Signed this _____ day of _____ 2019

Signature of Shareholder _____ Signature of Proxy holder(s) _____

Affix Revenue
Stamp here

-----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

2nd ANNUAL GENERAL MEETING TO BE HELD ON SATURDAY, JUNE 29, 2019 AT 09:30 A.M. AT BBNIA (BADDI BAROOTIWALA NALAGARH INDUSTRIES ASSOCIATION) EPIP- JHARMAJRI ROAD, EPIP PHASE-1, JHARMAJRI, BADDI. (DISTRICT SOLAN), HIMACHAL PRADESH 174130

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 2nd Annual General Meeting of the Company held on Saturday, June 29, 2019 at 09:30 A.M. at BBNIA (Baddi Barootiwala Nalagarh Industries Association) EPIP- Jharmajri Road, EPIP Phase-1, Jharmajri, Baddi. (District Solan), Himachal Pradesh 174130.

*Applicable in case of shares held in Physical form.

Signature of Member / Proxy

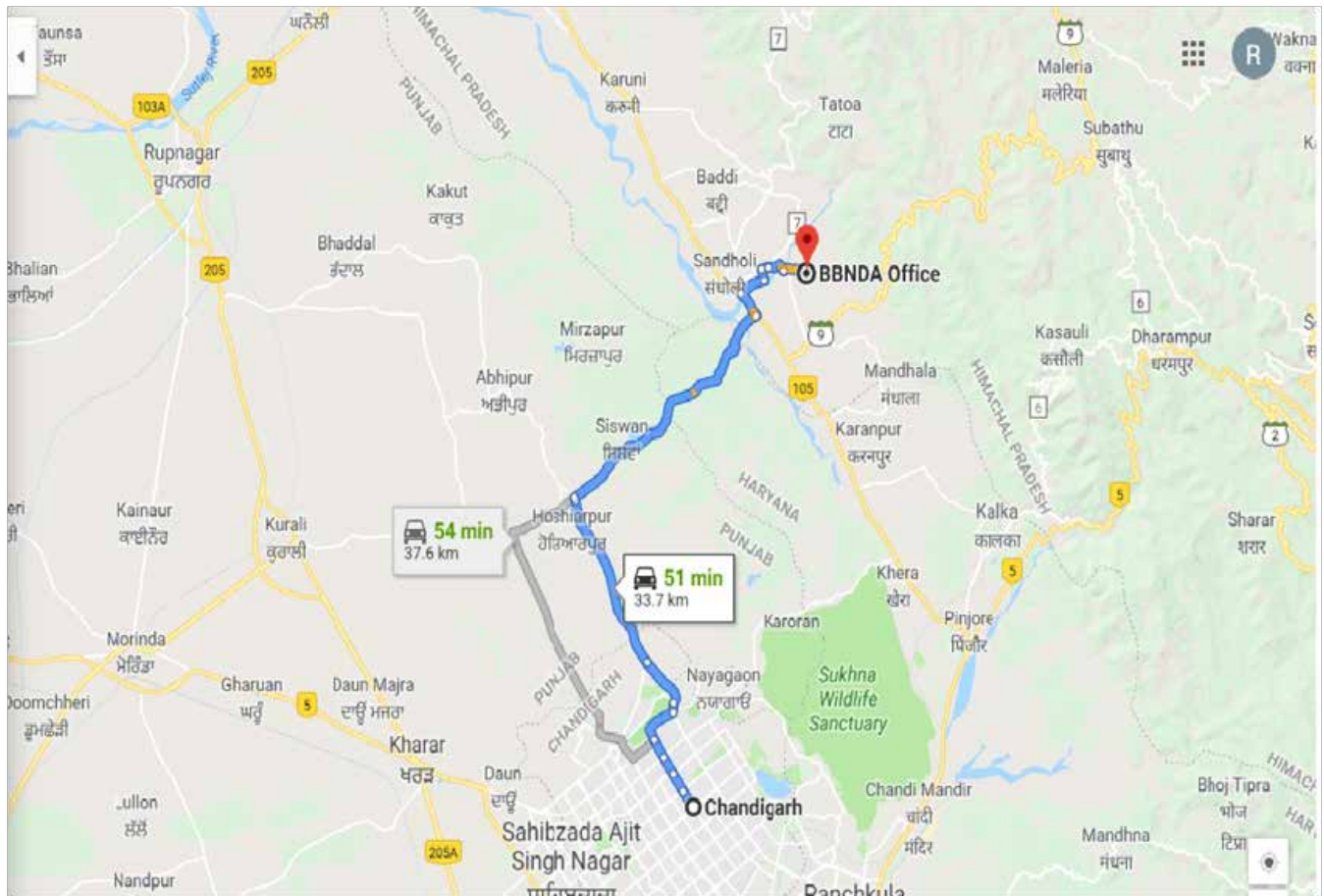
Note:

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

Route Map to the AGM Venue

AGM Venue: Inflamm Appliances Limited, BBNIA (Baddi Barootiwala Nalagarh Industries Association) EPIP-Jharmajri Road, EPIP Phase-1, Jharmajri, Baddi. (District Solan), Himachal Pradesh 174130, India



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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