

Date:05.09.2020

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Sub-Submission of Annual Report

Ref: Inflamm Appliances Ltd (Security Id.: INFLAME, Security Code: 541083)

Dear Sir/Mam,

This has further reference to our Board meeting outcome dated September 4, 2020.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are submitting herewith the Annual Report of the company for the Financial Year 2019-20, which is being sent in electronic mode to the Members.

The Annual Report for the financial year 2019-20 is also available on the Company's website at www.inflammindia.com.

Kindly take this information on your record.

For, Inflamm Appliances Limited

Aditya Kaushik

Aditya Kaushik

Chairman and Managing Director

DIN 06790052



Encl:- A/a

Inflamm Appliances Limited

(Formerly TECHNO ENGINEERING CORPORATION)

ADD.: KHASRA NO. 40/14-15-16-17/1 VILL. 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

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INFLAME APPLIANCES LIMITED

3RD ANNUAL REPORT - 2019-20



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INFLAME APPLIANCES LIMITED

CIN: U74999HP2017PLC006778

BOARD OF DIRECTORS

Name	DIN	Designation
Mr. Aditya Kaushik	06790052	Chairman and Managing Director
Mr. Naveen Kumar	08743772	Additional Whole Time Director
Mr. Ashwani Kumar Goel	08621161	Additional Whole Time Director
Mr. Akshay Kumar Vats	08020018	Non-Executive Independent Director
Ms. Smita Bhandari	08205214	Non-Executive Independent Director

KEY MANAGERIAL PERSONNEL

Name	DIN/PAN	Designation
Mr. Amit Kaushik	AAKPK0287B	Chief Financial Officer and Chief Executive Officer
Ms. Zalak Nitin Kumar Shah (Appointed w.e.f. July 29, 2020)	FCCPS8681C	Company Secretary & Compliance Officer
Mr. Ravinder Kumar Singal (Resigned w.e.f. July 29, 2020)	AFDPS0644C	Company Secretary & Compliance Officer
Mr. Abhimanyu Singh (Resigned w.e.f May 9, 2019)	AYGPA1856N	Company Secretary & Compliance Officer

AUDIT COMMITTEE

Name	DIN	Designation
Mr. Akshay Kumar Vats	08020018	Chairperson
Mr. Udit Chandiok (Resigned w.e.f July 31, 2019)	08020035	Member
Mr. Aditya Kaushik	06790052	Member
Ms. Smita Bhandari (Joined Committee w.e.f. October 30, 2019)	08205214	Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Name	DIN	Designation
Ms. Smita Bhandari	08205214	Chairperson
Mr. Udit Chandiok (Resigned w.e.f July 31, 2019)	08020035	Member
Mr. Aditya Kaushik	06790052	Member
Mr. Akshay Kumar Vats (Joined Committee w.e.f. October 30, 2019)	08020018	Member

NOMINATION & REMUNERATION COMMITTEE

Name	DIN	Designation
Mr. Udit Chandiok (Resigned w.e.f July 31, 2019)	08020035	Chairperson
Ms. Smita Bhandari	08205214	Member
Mr. Akshay Kumar Vats (Chairman w.e.f October 30, 2019)	08020018	Member upto October 30, 2019 Chairman w.e.f October 30, 2019
Mr. Aditya Kaushik (Joined Committee w.e.f. October 30, 2019)	06790052	Member

STATUTORY AUDITORS	SECRETARIAL 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@yahoo.com Contact Person: CA Bhupinder Singh	C S Madan Lal Aggarwal Practicing Company Secretary Email Id: mlaggarwal.cs@gmail.com

REGISTRAR & SHARE TRANSFER AGENT	BANKERS TO THE COMPANY
Skyline Financial Services Pvt. Ltd, D-153A, 1st Floor, Okhla Industrial Area Phase-I,,New Delhi, Delhi, 110020 Tel. Number: 011-64732681-88 Email Id: viren@skylinerta.com Website: www.skylinerta.com	Canara Bank HDFC BANK LIMITED

REGISTERED OFFICE	Corporate Office
Khewat Khatoni No. 45/45, Khasra No. 942/855/1 Village Kalyanpur Tehsil-Baddi Baddi Solan-173205 Email: cs@inflameindia.com Website: www.inflameindia.com	Khasra No. 40/14-15-16-17/1, Baghwali, NH-73, Distt, Panchkula (H.R.)-134205

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the Standalone Audited Financial Statements, for the Financial Year ended on March 31, 2020.

FINANCIAL RESULTS:

The Company's financial performance for the year ended on March 31, 2020 is summarized below:

(in ₹)

PARTICULARS	Amount	
	YEAR ENDED	YEAR ENDED
	31.03.2020	31.03.2019
I. Net Sales/Income from Operations	153856127	551104756
II. Other Income	8930439	9417167
III. Total Revenue (I+II)	16,27,86,566.00	56,05,21,923.00
IV. Earnings Before Interest, Taxes, Depreciation and Amortization Expense	-3,14,37,678.00	4,32,01,232.00
V. Finance Cost	6353555	2672904
VI. Depreciation and Amortization Expense	19758186	12036787
VII. Profit Before Tax (IV-V-VI)	-57549419	28491541
VIII. Tax Expense:		
i Current Tax Expense		5942000
ii Differred	14993336	1434942
iii MAT	0	-271089
iv Short and excess provision of tax relating to earlier year	8394	768892
IX. Profit After Tax (VII-VIII)	-42564477	20616795

COMPANY'S PERFORMANCE:

STANDALONE FINANCIAL RESULTS:

The Total Income from Operations (net) of the Company for the year under review is ₹ 153856127 as compared to ₹ 551104756 in the previous year. Loss for the year stood at ₹ (42564477) as compared to Profit after tax of ₹ 20616795 in the previous year. Loss in FY 2019-20 was due to decrease in sales and increase in expenses

DIVIDEND:

For the Financial Year 2019-20, due to losses, the Board of Directors regret recommending dividend to shareholders.

TRANSFER TO RESERVES:

Due to Losses in the FY 2019-20, Company has not transferred any amount in Reserve and Surplus.

CHANGE IN NATURE OF BUSINESS:

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

CHANGE IN THE REGISTERED OFFICE:

During the year under review, there was no change in the registered office of the Company.

SHARE CAPITAL:

During the year under review there was no change in capital and capital stood as follows:

- AUTHORIZED CAPITAL:**

₹ 6,00,00,000- (Rupees Six Crores Only) divided into 6000000 Equity Shares of ₹ 10/- each.

- ISSUED, SUBSCRIBED & PAID-UP CAPITAL:**

The present paid-up issued and subscribed capital of the Company is ₹ ₹ 6,00,00,000- (Rupees Six Crores Only) divided into 6000000 Equity Shares of ₹ 10/- each.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**Constitution of Board:**

As on the date of this report, the Board comprises of following Directors;

Name of Director	Category Cum Designation	Date of Original Appointment	Date of Appointment at current Term & designation	Total Directorship ²	No. of Committee ¹		No. of Shares held as on March 31, 2020
					in which Director is Member	in which Director is Chairman	
Mr. Aditya Kaushik	Chairman and Managing Director	November 11, 2017	January 5, 2018	1	2	0	36,68,400 Equity Shares
Mr. Ashwani Kumar Goel	Additional Whole Time Director	December 12, 2019	March 14, 2020	1	0	0	Nil
Mr. Naveen Kumar	Additional Whole Time Director	March 14, 2020	March 14, 2020	1	0	0	Nil
Mr. Akshay Kumar Vats	Non Executive Independent Director	January 05, 2018	January 05, 2018	1	2	1	Nil
Ms. Smita Bhandari	Non Executive Independent Director	August 28, 2018	September 28, 2018	1	2	1	Nil

¹ Committee includes Audit Committee and Stakeholder's Relationship Committee across all Public Companies.

² Excluding LLPs, Section 8 Company & Struck Off Companies.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from the requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company. Neither any of the Director of the Company is holding position as Director in more than 8 listed entities nor any of the Director of the Company serve as an Independent Director in more than 7 listed entities.

DISCLOSURE BY DIRECTORS:

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP 1, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

BOARD MEETING:

Regular meetings of the Board are held at least once in a quarter. Additional Board meetings are convened, as and when require, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at the registered office of the Company.

During the year under review, Board of Directors of the Company met 8 times on May 29, 2019, June 03, 2019, July 4, 2019, August 21, 2019, October 30, 2019, November 14, 2019, December 12, 2019 and March 14, 2020. Pursuant to Section 173 of the Companies Act, 2013, the time gap between the two consecutive Board Meetings was not be more than 120 days.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

Name of Director	Mr. Aditya Kaushik	Mr. Dinesh Kaushik	Mrs. Anita Kaushik	Mr. Udit Chandiok	Mr. Akshay Kumar Vats	Ms. Smita Bhandari	Mr. Ashwani Kumar Goel	Mr. Naveen Kumar
Number of Board Meeting held	8	8	8	8	8	8	8	8
Number of Board Meetings Eligible to attend	8	8	7	3	8	8	1	NA**
Number of Board Meeting attended	8	8	7	3	8	8	1	NA**
Presence at the previous AGM of F.Y. 2018-2019	Yes	Yes	Yes	No	No	Yes	NA*	NA**

* Mr. Ashwani Kumar Goel was appointed as an Additional Independent Director of the Company in Board Meeting held on December 12, 2019.

** Since Mr. Naveen Kumar were appointed on March 14, 2020, the details with respect to attendance of Board Meeting and Annual General Meeting are not applicable to him.

GENERAL MEETINGS:

During the year under review, only 1 shareholder meeting held as Annual General Meeting on June 29, 2019.

INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the act that they meet the criteria of independence laid down in Section 149 (6) of the Act.

INFORMATION ON DIRECTORATE AND KEY MANAGERIAL PERSONNEL (KMP):

In accordance with the provisions of Section 152 and other applicable provisions if any of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 (including and statutory

modification(s) or re-enactment(s) thereof for the time being in force) Mr. Aditya Kaushik (Chairman and Managing Director) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment.

During the year under review, Mr. Udit Chandiok, Independent Director resigned w.e.f July 31, 2019. Thenafter Mrs. Anita Kaushik, Whole-Time Director resigned w.e.f December 12, 2019 and Mr. Dinesh Kaushik, Whole-Time Director resigned w.e.f March 14, 2020 due to personal reasons.

Further, During the year under review Mr. Ashwani Kumar Goel was appointed as Additional Non-Executive Independent Director w.e.f December 12, 2019, who was further re-designated as whole time director (subject to approval of shareholder in the ensuing Annual General Meeting) by the board of directors in their meeting held on March 14, 2020 and Mr. Naveen Kumar was appointed as Additional Whole Time Director (subject to approval of shareholder in the ensuing Annual General Meeting) w.e.f March 14, 2020.

DETAILS OF KEY MANAGERIAL PERSONNEL:

In terms of Section 203 of the Companies Act, 2013, at the beginning of the FY 2019-20, the Company had Mr. Aditya Kaushik as Chairman and Managing Director, Mr. Dinesh Kaushik as Whole-Time Director, Mrs. Anita Kaushik as Whole Time Director, Mr. Amit Kaushik as CEO and CFO and Mr. Abhimanyu Singh as Company Secretary and Compliance Officer of the Company as Key Managerial Personnel.

Thenafter during the FY 2019-20, Mr. Abhimanyu Singh resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f May 09, 2019, Mrs. Anita Kaushik, Whole-Time Director resigned w.e.f December 12, 2019 and Mr. Dinesh Kaushik, Whole-Time Director resigned w.e.f March 14, 2020 due to personal reasons.

Further, the Company appointed Mr. Ravinder Kumar Singhal as a Chief Financial Officer of the Company w.e.f October 30, 2019.

Moreover after the end of FY 2019-20, Mr. Ravinder Kumar Singhal resigned w.e.f July 29, 2020 and Ms. Zalak Shah was appointed as Company Secretary and Compliance Officer w.e.f July 29, 2020.

BOARD DIVERSITY AND EVALUATION:

The Company recognizes and embraces the importance of a diverse board in overall success. We believe that a truly diverse board will

leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender that will help us retain our competitive advantage.

Pursuant to provisions of Companies Act, 2013 and Rules made there under, SEBI Listing Regulations and Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on January 05, 2017, The Board of Directors has carried out an annual evaluation of its own performance, performance of Individual Directors, Board Committee including the Chairman of the Board on the

basis of composition and structure, attendance, contribution, effectiveness of process, information, functions and various criteria as

recommended by Nomination and Remuneration Committee. The evaluation of the working of the Board, its committees, experience

and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

The performance of each of the Non-Independent Directors (including the Chairman) were also evaluated by the Independent Directors at the separate meeting held between the Independent Directors of the Company on March 14, 2020.

PERFORMANCE EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance board committees and individual directors pursuant to the provisions of the Act.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure effectiveness of board processes information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed meaningful and constructive contribution and inputs in meetings etc. In addition, the chairman was also evaluated on the key aspects of his role.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm that:

- In preparation of Annual Accounts for the year ended March 31, 2020 the applicable accounting standards have been followed and that no material departures have been made from the same;
- The Directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that year;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts for the year ended March 31, 2020 on going concern basis;
- The Directors have laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEE OF BOARD:

The Board of Directors in line with the requirement of the act has formed various committees, details of which are given hereunder:

A. Audit Committee: -

The Board of Directors in their meeting held on January 20, 2018 had formed Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013. The terms of reference of the Committee is available on the website of the Company at www.inflameindia.com.

During the year under review, the Audit Committee met 2 (Two) times during the Financial Year 2019-20, on May 29, 2019 and November 14, 2019.

The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Mr. Akshay Kumar Vats	Non-Executive Independent Director	Chairperson	2	2	2
Mr. Udit Chandiok	Non-Executive Independent Director	Member	2	1	1
Mr. Aditya Kaushik	Chairman and Managing Director	Member	2	2	2
Ms. Smita Bhandari	Non-Executive Independent Director	Member	2	1	1

As Mr. Udit Chandiok resigned from the post of Independent Director of the Company w.e.f from July 31, 2019, the Audit Committee was reconstituted on October 30, 2019. *Ms. Smita Bhandari* was added as member of committee w.e.f October 30, 2019.

The Statutory Auditors of the Company are invited in the meeting of the Committee wherever requires. Further, the Company Secretary of the Company is acting as Company Secretary to the Audit Committee.

Recommendations of Audit Committee wherever/whenever given have been accepted by the Board.

Vigil Mechanism:

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct.

Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such

mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.inflameindia.com.

B. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Board of Directors in their meeting held on January 20, 2019 has formed Stakeholder's Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances if any like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. The Stakeholders Relationship Committee shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The terms of reference of the Committee is available on the website of the Company at www.inflameindia.com.

During the year under review, Stakeholder's Relationship Committee met Four (Four) times viz on May 29, 2019, October 30, 2019, December 12, 2019 and March 14, 2020. The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Ms. Smita Bhandari	Non-Executive Director	Chairperson	4	4	4
Mr. Udit Chandiok	Non-Executive Independent Director	Member	4	1	1
Mr. Aditya Kaushik	Non-Executive Independent Director	Member	4	4	4
Mr. Akshay Kumar Vats	Non-Executive Independent Director	Member	4	3	3

As Mr. Udit Chandiok resigned from the post of Independent Director of the Company w.e.f from July 31, 2019, the Stakeholder's Relationship Committee was reconstituted on October 30, 2019. Mr. Akshay Kumar Vats was added as member of committee w.e.f October 30, 2019.

There was no complaint unresolved as on March 31 2020.

C. NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors in their meeting held on January 20, 2019 has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act 2013. The terms of reference of the Committee is available on the website of the Company at www.inflameindia.com.

During the year under review Nomination and Remuneration Committee met 4 (Four) times viz on June 3, 2019, October 30, 2019 and December 12, 2019 and March 14, 2020.

The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Mr. Udit Chandiok	Non-Executive Independent Director	Chairperson	4	1*	1
Ms. Smita Bhandari	Non-Executive Independent Director	Member	4	4	4
Mr. Akshay Kumar Vats	Non-Executive Independent Director	Member	4	4	4

As Mr. Udit Chandiok resigned from the post of Independent Director of the Company w.e.f from July 31, 2019, the Nomination and Remuneration Committee was reconstituted on October 30, 2019 with the following members:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Ms. Smita Bhandari	Non-Executive Independent Director	Chairperson	4	3	3
Mr. Akshay Kumar Vats	Non-Executive Independent Director	Member	4	4	4
Mr. Aditya Kaushik	Chairman and Managing Director	Member	4	4	4

Nomination and Remuneration Policy:

Nomination and Remuneration Policy in the Company is designed to create a high-performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at www.inflameindia.com and also forms part of this report as **Annexure A**.

REMUNERATION OF DIRECTORS:

The details of remuneration paid during the Financial Year 2019-20 to Directors of the Company is provided in (Form MGT-9) which is annexed to this Report as **Annexure – B**.

PUBLIC DEPOSIT:

The company has not accepted any deposits from the public. Hence the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

PARTICULARS OF LOANS GUARANTEES INVESTMENTS & SECURITY:

Details of Loans Guarantees Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this Report as **Annexure – B**.

SUBSIDIARIES ASSOCIATES AND JOINT VENTURE OF THE COMPANY:

Our Company does not has any Subsidiary, Associate and Joint Venture Company.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 in the prescribed Form AOC-2 is annexed to this Report as **Annexure – C**.

SECRETARIAL STANDARDS OF ICSI:

The Company is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

PARTICULAR OF EMPLOYEES:

The ratio of the remuneration of each whole-time director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure – D**.

MATERIAL CHANGES AND COMMITMENT:

There are no material changes and commitments affecting the financial position of the Company have occurred between the end of Financial Year of the Company i.e. March 31, 2020 to the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

To foster a positive workplace environment free from harassment of any nature we have framed Prevention of Sexual Harassment Policy through which we address complaints of sexual harassment at all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

During the year under review there were no incidences of sexual harassment reported.

ENERGY CONSERVATION TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules 2014 as amended from time to time is annexed to this Report as **Annexure - E**.

RISK MANAGEMENT:

A well-defined risk management mechanism covering the risk mapping and trend analysis risk exposure potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact if triggered. A detailed exercise is being carried out to identify evaluate monitor and manage both business and non-business risks.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate and efficient internal and external control system, which provides protection to all its assets against loss from unauthorized use and ensures correct reporting of transactions. The internal control systems are further supplemented by internal audits carried out by the respective Internal Auditors of the Company and Periodical review by the management. The Company has put in place proper controls, which are reviewed at regular intervals to ensure that transactions are properly authorised, correctly reported and assets are safeguarded.

CORPORATE GOVERNANCE:

Integrity and transparency are key factors to our corporate governance practices to ensure that we achieve and will retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

As our company has been listed on SME Platform of BSE Limited, by virtue of Regulation 15 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the compliance with the corporate Governance provisions as specified in regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and Para C D and E of Schedule V are not applicable to the company. Hence Corporate Governance Report does not form a part of this Board Report, though we are committed for the best corporate governance practices.

STATUTORY AUDITOR AND THEIR REPORT:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Gandhi Minocha and Company, Ahmedabad (FRN: 000458N), were appointed as Statutory Auditors of the Company to hold office till conclusion of the 6th Annual General Meeting(AGM) of the company to be held in the calendar year 2023. The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for

any comments under Section 134 of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

REPORTING OF FRAUD:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a review of the performance of the Company for the year under review Management Discussion and Analysis Report is presented in a separate section which is annexed to this Report as **Annexure - F**.

SECRETARIAL AUDITOR AND THEIR REPORT:

The Company has appointed Mr. Madan Lal Aggarwal, Practicing Company Secretaries, to conduct the secretarial audit of the Company for the Financial Year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the Financial Year 2019-20 is annexed to this report as an **Annexure – G**.

WEBSITE:

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the Company has maintained a functional website namely "www.inflameindia.com" containing basic information about the Company. The website of the Company is containing information like Policies, Shareholding Pattern, Financial and information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company etc.

GENERAL DISCLOSURE:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules 2014 and other applicable provisions of the act and listing regulations to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- (i) Details relating to deposits covered under Chapter V of the Act;
- (ii) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- (iv) Annual Report and other compliances on Corporate Social Responsibility;
- (v) There is no revision in the Board Report or Financial Statement;
- (vi) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

ACKNOWLEDGEMENT:

Your Directors acknowledge the dedicated service of the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, business partners and other stakeholders.

Registered office:

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

Date: September 4, 2020
Place: Baddi

For and on behalf of Board of Directors
Inflame Appliances Limited
CIN: U74999HP2017PLC006778

Sd/-
Aditya Kaushik
Chairman and Managing
Director
DIN 06790052

ANNEXURE-A

NOMINATION & REMUNERATION POLICY

1. Preface:

Inflame Appliances Limited (“**The Company**”), in order to attract motivated and retained manpower in competitive market, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Regulations and Disclosure Requirements) Regulation, 2015 as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated and recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

2. Objective:

The Key Objectives of the Nomination and Remuneration Policy would be:

- A. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- B. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- C. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

3. Definition:

- a) “**Board**” means Board of Directors of the Company.
- b) “**Director**” means Directors of the Company.
- c) “**Committee**” means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.
- d) “**Company**” means Inflame Appliances Limited.
- e) “**Independent Director**” means a Director referred to in Section 149(6) of the Companies Act, 2013.
- f) **Key Managerial Personnel** means:
 - i. Executive Chairman or Chief Executive Officer and/or Managing Director;
 - ii. Wholetime Director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary;
 - v. Such other Officer as may be prescribed under the applicable statutory provisions / regulations.
- g) “**Senior Management**” means personnel of the Company who occupy the position of Head of any department/ division/ unit.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. Guiding principles:

The guiding principle is to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (including Independent Director) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

- A. To carry out evaluation of performance of Directors, Key Management Personnel as well as Senior Management Personnel.
- B. The level and composition of remuneration and the other terms of employment is reasonable and sufficient to attract, retain and motivate executives of the Company shall be competitive in order to ensure that the Company can attract and retain competent Executives.
- C. To determine remuneration based on Company’s size and financial position and trends and practice on remuneration prevailing in the similar Industry. When determining the remuneration policy and arrangements for

Directors/ KMP's and Senior Management, the Committee considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

- D. The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

5. Coverage:

A. Policy on Appointment and Nomination of Directors, Key Managerial Personnel and Senior Management:

1) Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and KMP and recommend to the Board his / her appointee.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- d) Any appointment made at Senior Management Level shall be placed before the meeting of the Board of Directors of the Company.

2) Tenure of Employment:

a) Managing Director/Whole-time Director/ Executive Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole-Time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

The Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

3) Evaluation:

The Committee shall evaluate performance of every Director, KMP and Senior Management Personnel at regular period of one year.

The Board shall take into consideration the performance evaluation Director, KMP and Senior Management Personnel at the time of Re-appointment.

B. Policy on remuneration of Director, KMP and Senior Management Personnel:

- 1) The remuneration/compensation/commission etc. to the Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 2) The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
- 3) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director.
- 4) Where any insurance is taken by the Company on behalf of its Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- 5) Remuneration to Whole-time/ Executive/ Managing Director, KMP and Senior Management Personnel;

a) Fixed pay:

The Managing Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:*

If any Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- 6) Remuneration to Non- Executive / Independent Director;

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Independent Director shall be entitled to reimbursement of expenses for participation in the Board and other meeting.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

6. Reward principles and objectives:

Our remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, interalia principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

7. Disclosure of Information:

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements.

8. Application of the Nomination and Remuneration Policy

This Nomination and Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors.

The Remuneration Policy is binding for the Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board. The Board of Director reserves the right to modify the policy as and when recommended by the Nomination and Remuneration Committee either in whole or in part without assigning any reason whatsoever.

Annexure – B

FORM MGT – 9 - EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1) Registration and Other Details:

CIN	:	U74999HP2017PLC006778
Registration Date	:	November 14, 2017
Name of the Company	:	Inflame Appliances Limited
Category / Sub-Category of the Company	:	Public Company limited by shares/ Indian Non-Government Company
Address of the Registered Office and contact details	:	Khewat Khatoni No. 45/45, Khasra No. 942/855/1 Village Kalyanpur Tehsil-Baddi Baddi Solan-173205 Tel:01795-246820; Email: cs@inflameindia.com; Website: www.inflameindia.com
Whether listed Company	:	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	:	Skyline Financial Services Pvt. Ltd, D-153A, 1st Floor, Okhla Industrial Area Phase-I,, New Delhi, Delhi, 110020 Tel: 011-64732681-88; Email: viren@skylinerta.com; Website: www.skylinerta.com

2) Principal Business Activity of the Company: All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
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	100.00%

3) Particulars of Holding, Subsidiary and Associate Companies:

SR. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
Not Applicable					

4) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

I. Category-wise Shareholding:

A) Category-wise Share Holding		Shares Held at beginning of the Year 31/03/2019				Shares Held at the end of the Year 31/03/2020				% Change During The Year
S. No.	Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
I	Indian									
a)	Individual Huf	4200000	0	4200000	70.00	4200000	0	4200000	70.00	0.00
b)	Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Government	0	0	0	0.00	0	0	0	0.00	0.00

d)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	4200000	0	4200000	70.00	4200000	0	4200000	70.00	0.00
2	Foreign									
a)	NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoters(A)	4200000	0	4200000	70.00	4200000	0	4200000	70.00	0.00
B	Public Shareholding									
1	Institutions									
a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g)	FII's	0	0	0	0.00	0	0	0	0.00	0.00
h)	Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
i)	Any Other Foreign	0	0	0	0.00	0	0	0	0.00	0.00
j)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2	Non-Institutions									
a)	Bodies Corporate									
1)	Indian	161594	0	161594	2.69	166000	0	166000	2.77	0.08
2)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individuals									
1)	Individual shares holders having nominal share capital upto Rs. 1,00,000	399406	0	399406	6.66	396549	0	396549	6.61	-0.05
2)	Individual shares holders having nominal share	888000	0	888000	14.80	896000	0	896000	14.93	0.13

	capital Excess of Rs. 1,00,000									
c)	Others									
a)	HUF	348000	0	348000	5.80	336000	0	336000	5.60	-0.20
b)	Non Resident Indian	3000	0	3000	0.05	3000	0	3000	0.05	0.00
c)	Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
d)	Clearing Members	0	0	0	0.00	2451	0	2451	0.04	0.04
e)	Trust	0	0	0	0.00	0	0	0	0.00	0.00
f)	Foreing Bodies-DR	0	0	0	0.00	0	0	0	0.00	0.00
g)	NBFC Registered With RBI	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(2)	1800000	0	1800000	30.00	1800000	0	1800000	30.00	0.00
	Total Public Shareholding (B)	1800000	0	1800000	30.00	1800000	0	1800000	30.00	0.00
C)	Shares Held By Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
D)	IEPF	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total	6000000	0	6000000	100.00	6000000	0	6000000	100.00	0.00

II. Shareholding of Promoters & Promoters Group and Change in Promoters & Promoters Group Shareholding:

Sr.No	Name of Shareholder	Shareholding As on 31/03/2019					Cummulative Shareholding as on 31/03/2020			
		No of Shares Held	% To the Total Shares	Transac tion Date	Increase /Decrease	Reason		% of Total Shares of the Company	Pan of Shareholder	Folio/Dpid -Client ID
Promoters and Promoter Group										
1	ADITYA KAUSHIK	3668400	61.14						AAJPK4765H	IN30412310044002
						Balance	3668400			
2	AMIT KAUSHIK	7200	0.12						AAKPK0287B	IN30412310044043
						Balance	7200			
3	ANITA KAUSHIK	7200	0.12						AHHPK2068C	IN30412310044019
						Balance	7200			
4	RUCHI KAUSHIK	7200	0.12						AYQPK9403P	IN30412310044027

						Balance	7200			
5	DINESH KAUSHIK	495600	8.26						BIXPK0755Q	IN30412310044035
						Balance	495600			
6	USHA KAUSHIK	7200	0.12						DWXP6349L	IN30412310043995
						Balance	7200			
7	ANEESHA KAUSHIK	7200	0.12						FMTPK0720F	IN30412310043987

III. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

* The trading in the shares of the Company took place almost on daily basis, therefore the date wise increase/ decrease in Shareholding of top ten Shareholders are taken on the basis of weekly Benpose.

Public Top 10 Shareholders										
	Name of Shareholder	No of Shares Held	% To the Total Shares	Transaction Date	Increase /Decrease	Reason		% of Total Shares of the Company	Pan of Shareholder	Folio/Dpid-Client ID
1	GOTHAMCHANDA HUF . .	75000	1.25	31-01-2020	2000	Purchase	77000	1.28	AAAHA1137Q	1204840000233201
						Balance	77000			
2	G PRAKASH CHAND BAID HUF	63000	1.05	09-08-2019	1000	Purchase	64000	1.07	AAAHG0598M	1204840000166336
				30-08-2019	3000	Purchase	67000	1.12		
				06-09-2019	-2000	Sale	65000	1.08		
				31-03-2020	7000	Purchase	72000	1.20		
						Balance	72000			
3	EXCEL STOCK BROKING PVT. LTD.	123000	2.05	03-05-2019	14000	Purchase	137000	2.28	AABCE8639D	IN30404510000053
				24-05-2019	-6000	Sale	131000	2.18		
				31-05-2019	3000	Purchase	134000	2.23		
				07-06-2019	-1000	Sale	133000	2.22		
				12-07-2019	-2000	Sale	131000	2.18		
				02-08-2019	-3000	Sale	128000	2.13		
				30-08-2019	-15000	Sale	113000	1.88		
				11-10-2019	2000	Purchase	115000	1.92		
				18-10-2019	-2000	Sale	113000	1.88		
				01-11-2019	1000	Purchase	114000	1.90		
				20-12-2019	1000	Purchase	115000	1.92		

				27-12-2019	-5000	Sale	110000	1.83		
				31-12-2019	-1000	Sale	109000	1.82		
				31-01-2020	2000	Purchase	111000	1.85		
				28-02-2020	-4000	Sale	107000	1.78		
				13-03-2020	4000	Purchase	111000	1.85		
				20-03-2020	-4000	Sale	107000	1.78		
						Balance	107000			
4	GUNAVANTH KUMAR HUF .	66000	1.10	03-05-2019	5000	Purchase	71000	1.18	AABHG7529K	1204840000166355
				27-03-2020	1000	Purchase	72000	1.20		
						Balance	72000			
5	GUNAVANTH KUMAR G VAID	54000	0.90	02-08-2019	1000	Purchase	55000	0.92	AABPV5089P	1204840000166224
				22-11-2019	2000	Purchase	57000	0.95		
						Balance	57000			
6	RAJKUMARI VIMALCHAND .	123000	2.05	28-06-2019	1000	Purchase	124000	2.07	AACPR9845G	1204840000362654
						Balance	124000			
7	M SHIKAR	72000	1.20	17-05-2019	1000	Purchase	73000	1.22	AAHPS8798Q	IN30226912037896
				28-06-2019	-1000	Sale	72000	1.20		
				19-07-2019	1000	Purchase	73000	1.22		
				23-08-2019	-1000	Sale	72000	1.20		
				31-08-2019	-7000	Sale	65000	1.08		
				06-09-2019	6000	Purchase	71000	1.18		
				13-09-2019	1000	Purchase	72000	1.20		
				04-10-2019	-2000	Sale	70000	1.17		
				18-10-2019	2000	Purchase	72000	1.20		
				22-11-2019	1000	Purchase	73000	1.22		
				29-11-2019	-1000	Sale	72000	1.20		
				31-12-2019	-1000	Sale	71000	1.18		
				31-01-2020	2000	Purchase	73000	1.22		
				31-03-2020	4000	Purchase	77000	1.28		
						Balance	77000			

8	P ANITHA .	57000	0.95	03-05-2019	3000	Purchase	60000	1.00	AANPS3295C	1204840000256219
				17-05-2019	-2000	Sale	58000	0.97		
				24-05-2019	-1000	Sale	57000	0.95		
				27-09-2019	3000	Purchase	60000	1.00		
						Balance	60000			
9	Rajesh Tripathi	87000	1.45	24-05-2019	1000	Purchase	88000	1.47	ADWPT8703C	IN30281410847267
				09-08-2019	3000	Purchase	91000	1.52		
				31-08-2019	-52000	Sale	39000	0.65		
				06-09-2019	53000	Purchase	92000	1.53		
				30-09-2019	1000	Purchase	93000	1.55		
				01-11-2019	2000	Purchase	95000	1.58		
				13-12-2019	3000	Purchase	98000	1.63		
				20-12-2019	-2000	Sale	96000	1.60		
						Balance	96000			
10	NAV RATAN BHAIYA	54000	0.90	03-05-2019	-3000	Sale	51000	0.85	AMCPB4642F	1208160001444567
				22-11-2019	3000	Purchase	54000	0.90		
				13-03-2020	-3000	Sale	51000	0.85		
				20-03-2020	-4000	Sale	47000	0.78		
				27-03-2020	1000	Purchase	48000	0.80		
				31-03-2020	4000	Purchase	52000	0.87		
						Balance	52000			

IV. Shareholding of Directors and Key Managerial Personnel:

[illegible]

Mr. Amit Kaushik	7,200	0.12	-	-	-	7,200	0.12	7,200	0.12	-
Mr Abhimanyu Singh	-	-	-	-	-	-	-	-	-	-
Mr. Ravinder Kumar Singal	-	-	-	-	-	-	-	-	-	-

* Further, no transactions have been executed by Independent Directors and Key Managerial Personnel based on weekly Benpose of the Comany and confirmation given by them.

5) Indebtedness

(in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A. Indebtedness at the beginning of the financial year				
i) Principal Amount	40067080.64	-	-	40067080.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	98162	-	-	98162
Total A (i+ii+iii)	40165242.64	-	-	40165242.64
B. Change in Indebtedness during the financial year				
Additions	66560458	12577000	-	79137458
Reduction	(22964955)		-	(22964955)
Net Change B	43595503	12577000	-	56172503
C. Indebtedness at the end of the financial year				
i) Principal Amount	83658343	12577000	-	96235343
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	102403	-	-	102403
Total C (i+ii+iii)	83760746	12577000	-	96337746

6) Remuneration of Directors and Key Managerial Personnel

A) Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lakhs)

Particulars of Remuneration	Aditya Kaushik Chairman and Managing Director	Dinesh Kaushik Whole Time Director	Anita Kaushik Whole Time Director	Naveen Kumar Additional Whole Time Director	Ashwani Kumar Goel Additional Whole Time Director	Total Amount
Gross salary						
(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	12.00	5.57	4.00	-	2.00	23.57
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
Stock option	-	-	-	-	-	-
Sweat Equity	-	-	-	-	-	-
Commission	-	-	-	-	-	-
as % of profit	-	-	-	-	-	-
others (specify)	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total (A)	12.00	5.57	4.00	-	2.00	23.57
Ceiling as per the Act	84					

**Note: Special Resolution has been passed for the remuneration paid to the Executive Directors in excess of Ceiling Limit as per Schedule V of Companies Act, 2013.*

B) Remuneration to other Directors

(₹ in Lakhs)

Particulars of Remuneration	Akshay Kumar Vats Independent Director	Smita Bhandari Independent Director	Udit Chandiook Independent Director	Total Amount
a) Independent Director				
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
Total (a)	-	-	-	-
b) Other Non-Executive Directors	-	-	-	
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
Total (b)	-	-	-	-
Total Managerial Remuneration (a+b)	-	-	-	-

C) Remuneration to Key Managerial Personnel

(₹ in Lakhs)

Particulars of Remuneration	Amit Kaushik Chief Financial Officer	Abhimanyu Singh Company Secretary	Ravinder Kumar Singal Company Secretary	Total Amount
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	12.00	0.46	1.75	14.21
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
Stock option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
as % of profit	-	-	-	-
others (specify)	-	-	-	-
Others, please specify	-	-	-	-
Total	12.00	0.46	1.75	14.21

7) Penalties / Punishment/ Compounding of Offences

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)
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A. Company					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					

Registered office:

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

For and on behalf of Board of Directors

Inflame Appliances Limited
CIN: U74999HP2017PLC006778

Date: September 3, 2020

Place: Baddi

Sd/-
Aditya Kaushik
Chairman & Managing
Director
DIN 06790052

ANNEXURE – C

FORM NO. AOC-2 - PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

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

(Pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

A. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered in to by the Company during the financial year ended on March 31, 2020, which were not at arm's length basis.

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

Sr. No.	Particulars	RPT – 1	RPT – 2	RPT- 3	RPT- 4
1.	Name(s) of the related party and nature of relationship	Ashish Kaushik	Super Packaging	Mahaluxmi Industries	Ness Appliances
2.	Nature of contracts/ arrangements/ transactions	Remuneration	Sale and Purchase	Sale and Purchase	Sale
3.	Duration of the contracts/ arrangements/ transactions	F.Y. 2019-20	F.Y. 2019-20	F.Y. 2019-20	F.Y. 2019-20
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	Appointed as Business Associate Total Remuneration – ₹ 9,00,000.	At prevailing prices on arm's length basis and on Industry practice terms, Sale-₹1,94,750 Purchase- ₹6304321 Total Transaction Value -₹6499071	At prevailing prices on arm's length basis and on Industry practice terms, Sale-₹83159 Purchase- ₹4715591 Total Transaction Value -₹4798750	At prevailing prices on arm's length basis and on Industry practice terms, Total Transaction Value -₹ 24,15,690
5.	Date(s) of approval by the Board	May 29, 2019	May 29, 2019	May 29, 2019	May 29, 2019

**Note: Appropriate Approvals have been taken for related party transactions wherever necessary.*

Registered office:

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

For and on behalf of Board of Directors

Inflame Appliances Limited
CIN: U74999HP2017PLC006778

Date: September 4, 2020

Place: Baddi

Sd/-
Aditya Kaushik
Chairman & Managing
Director
DIN 06790052

ANNEXURE – D

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under.

A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) The ratio of remuneration of each director to the median remuneration of employees for the Financial Year and the Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration	Percentage Increase
1.	Aditya Kaushik	Chairman & Managing Director	Remuneration	11.05:1	(50)
2.	Dinesh Kaushik	Whole Time Director	Remuneration	5.52:1	Nil
3.	Anita Kaushik	Whole Time Director	Remuneration	5.52:1	Nil
4.	Naveen Kumar*	Additional Whole Time Director	Remuneration	-	Not Applicable
5.	Ashwani Kumar Goel*	Whole Time Director	Remuneration	-	Not Applicable
6.	Akshay Kumar Vats	Independent Director	Sitting Fees	-	Not Applicable
7.	Smita Bhandari	Independent Director	Sitting Fees	-	Not Applicable
8.	Amit Kaushik	Company Secretary & Compliance Officer	Remuneration	-	Not Applicable
7.	Abhimanyu Singh*	Non-Executive Independent Director	Remuneration	-	Not Applicable
8.	Ravinder Kumar Singal *	Additional Non-Executive Independent Director	Remuneration	-	Not Applicable

* Median of Mr. Naveen Kumar, Mr. Ashwani Kumar Goel and CS is not disclosed as they were not associated with the company for majority of the year.

**Median of only those employees are considered who were in employment for atleast 11 months.

*** During the year under review, all the Non-Executive Directors of the Company were not paid Sitting Fees for attending the Board Meeting and other Committees Meeting. Hence, the ratio of remuneration of all Non-Executive Directors to the median remuneration of employees are not disclosed or compared.

b) The percentage increase in the median remuneration of employees in the financial year:

The median remuneration of the employees in current financial year was decrease by 6.47% over the previous financial year.

- c) **The number of permanent employees on the rolls of the Company:** 142 permanent Employees as on March 31, 2020.
- d) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The Average 15.00% increase was made in salary of employees. The average remuneration increased due to increase in number of employee of the Company and qualitative payout to the existing employee. Whereas remuneration of the executive directors was not increased. The remuneration paid to executive directors were within the limit as per approved by the shareholders of the Company.

Registered office:

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

Date: September 4, 2020

Place: Baddi

For and on behalf of Board of Directors

Inflame Appliances Limited

CIN: U74999HP2017PLC006778

Sd/-

Aditya Kaushik

**Chairman & Managing
Director**

DIN 06790052

ANNEXURE – E

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to Section 134 (3) (m) of the Companies (Accounts) Rules, 2014 and rules made there under)

A. Conservation of energy –

- i.) **The steps taken or impact on conservation of energy:** The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.
- ii.) **The steps taken by the Company for utilizing alternate sources of energy:** The Company has not taken any step for utilizing alternate sources of energy.
- iii.) **The capital investment on energy conservation equipment:** During the year under review, Company has not incurred any capital investment on energy conservation equipment.

B. Technology absorption –

- i.) **The effort made towards technology absorption:** The Company has not imported any technology and hence there is nothing to be reported here.
- ii.) **The benefit derived like product improvement, cost reduction, product development or import substitution:**
None
- 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: None
- b. The year of import: None
- c. Whether the technology has been fully absorbed: None
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: None
- iv.) **The expenditure incurred on Research and Development:** During the year under review, the Company has not incurred any Expenditure on Research and Development

C. Foreign Exchange Earnings & Expenditure:

i.) Details of Foreign Exchange Earnings:

(in ₹)

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2018-19
1.	Foreign Exchange Earnings	10852440	3086582

ii.) Details of Foreign Exchange Expenditure:

(in ₹)

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2018-19
1.	Foreign Exchange Expenditure	14540953	90992618

Registered office:

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

For and on behalf of Board of Directors

Inflame Appliances Limited

CIN: U74999HP2017PLC006778

Date: September 4, 2020

Place: Baddi

Sd/-

Aditya Kaushik
Chairman & Managing
Director
DIN 06790052

ANNEXURE – F

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SPECIAL NOTE ON CORONAVIRUS PANDEMIC

By mid of March 2020, the outbreak of Coronavirus (COVID-19) pandemic has been rapidly spreading throughout the world, including India causing significant disturbance and slowdown of economic activity. The Company has made committed efforts to support its business stakeholders, employees and service providers. The effect of Covid-19 on the Company is insignificant. The company's manufacturing facilities were shut down from March 23, 2020 for 22 days. Looking at current situation the company does not predict any significant effect of Covid-19 on profitability. The Company is continuously monitoring the situation and taking necessary actions in response to the developments, to minimize the impact on the business of the Company.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian appliance and consumer electronics (ACE) market reached Rs 76,400 crore (US\$ 10.93 billion) in 2019. Appliances and consumer electronics industry is expected to double to reach Rs 1.48 lakh crore (US\$ 21.18 billion) by 2025.

Electronics hardware production in the country increased from Rs 1.90 trillion (US\$ 31.13 billion) in FY14 to Rs 4.58 trillion (US\$ 65.53 billion) in FY19. Demand for electronics hardware in India is expected to reach US\$ 400 billion by FY24. The National Policy (DNP) targets production of one billion mobile handsets by 2025.

Television industry in India reached an estimated Rs 787 billion (US\$ 11.26 billion) in 2019 and is projected to reach Rs 955 billion (US\$ 13.66 billion) by 2021. Shipment of TVs in India increased 15 per cent annually to reach the highest-ever level of 15 million units in 2019. As of FY20, electronics, domestic appliances and air conditioner market in India were estimated to be around Rs 5,976 crore (US\$ 0.86 billion), Rs 17,873 crore (US\$ 1.80 billion) and Rs 12,568 crore (US\$ 2.56 billion), respectively.

There is a lot of scope for growth from the rural market with consumption expected to grow in these areas as penetration of brands increases. Demand for durables like refrigerators and consumer electronic goods are likely to witness an increased demand in the coming years, especially in the rural areas as the Government plans to invest significantly in rural electrification.

White goods industry in India is highly concentrated. In washing machines and refrigerators, the top five players have more than 75 per cent of the 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 a 30-35 per cent market share. For the issuance of electronic Certificates of Origin (CoO), the Government launched Common Digital Platform, a single access point for all the exporters and all the Free Trade Agreements (FTAs) for all agencies concerned.

Growing awareness, easier access, and changing lifestyle 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. According to the Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-March 2020, FDI inflow in the electronics sector stood at US\$ 2.79 billion. As per the revised FDI policy, the Government has introduced certain bars for E-commerce platforms from selling on their websites and has imposed a limit on how much one supplier can sell on their portal. Consumer durable loans in India increased 43 per cent y-o-y to Rs 6,495 crore (US\$ 921.4 million) in FY20.

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 “Inflame”, we regularly review our quality systems to determine their effectiveness and identify areas for improvement. Inflame Appliances Limited is an IS 4246:2002 certified company.

OUR COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strength:

Quality of our Products

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

Cost efficient sourcing and 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.

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.

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 decreased by 72% to Rs.1538.57 Lakhs in FY 19-20 against Rs 5511.05 Lakhs in FY 20-21.

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.

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 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 financial year, your company earned ₹108.52 Lakh

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.

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.

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.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's financial performance for the year ended March 31, 2020 is summarized below:

(In Rupees)

PARTICULARS	Amount	
	YEAR ENDED	YEAR ENDED
	31.03.2020	31.03.2019
I. Net Sales/Income from Operations	153856127	551104756
II. Other Income	8930439	9417167
III. Total Revenue (I+II)	16,27,86,566.00	56,05,21,923.00
IV. Earnings Before Interest, Taxes, Depreciation and Amortization Expense	-3,14,37,678.00	4,32,01,232.00
V. Finance Cost	6353555	2672904
VI. Depreciation and Amortization Expense	19758186	12036787
VII. Profit Before Tax (IV-V-VI)	-57549419	28491541
VIII. Tax Expense:		
i Current Tax Expense		5942000
ii Differed	14993336	1434942
iii MAT	0	-271089
iv Short and excess provision of tax relating to earlier year	8394	768892
IX. Profit After Tax (VII-VIII)	-42564477	20616795

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company's relations with the employees continued to be cordial and harmonious with its employees. It considers manpower as its assets and that people had been driving force for growth and expansion of the Company. The Company acknowledge that its principal assets is it employees. The Company has continued its efforts in building a diverse and inclusive workforce.

The total number of employees on roll in the Company as on 31st March, 2020, including factory workmen, was 142. The Company will continue to create opportunity and ensure recruitment of diverse candidates without compromising on meritocracy.

CAUTIONARY STATEMENT

Statement in this report describing the Company's objectives projections estimates and expectation may constitute "forward looking statement" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumption and expectations of future events. These Statements are subject to certain risk and uncertainties. The Company cannot guarantee that these assumption and expectations are accurate or will be realized. The actual results may different from those expressed or implied since the Company's operations are affected by many external and internal factors which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments information or events.

Registered office:

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

For and on behalf of Board of Directors

Inflame Appliances Limited
CIN: U74999HP2017PLC006778

Date: September 4, 2020

Place: Baddi

Sd/-

Aditya Kaushik
Chairman & Managing
Director
DIN 06790052

ANNEXURE – H

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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

To,
The Members,
Inflame Appliances Limited
CIN: U74999HP2017PLC006778
Khwat Khatoni No. 45/45, Khasra No. 942/855/1,
Village Kalyanpur Tehsil-Baddi,
Solan - 173205, Himachal Pradesh, India.

We 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 our opinion thereon.

Based on our verification of Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 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:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Inflame Appliances Limited (“the Company”) for the financial year ended on 31st March 2020, (records were verified in electronic form due to ongoing situation of "COVID-19") 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;
 - (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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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-Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:
- (a) Applicable BIS Standards for various categories of production process.

We have also examined compliances with the applicable clauses of the following as amended from time to time:

- (i) Secretarial Standards with respect 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 BSE Limited.

We 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 herein above and verification of documents and records on test check basis.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- (i) 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.
- (ii) 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.
- (iii) Decisions of the Board of Directors and Committees thereof were carried through with requisite majority.

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

We further report that during the audit period the company has no reportable events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:

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

For ML Aggarwal & Associates
Company Secretaries

MADAN LAL AGGARWAL
Prop.
FCS: 4840 / CP:13944
ICSI Unique Code-I2014UT1232800
ICSI UDIN-F004840B000665885

Place: CHANDIGARH
Date: 4TH SEPTEMBER 2020

To,
The Members,
Inflame Appliances Limited
CIN: U74999HP2017PLC006778
Khwat Khatoni No. 45/45, Khasra No. 942/855/1,
Village: Kalyanpur, Tehsil: Baddi,
District: Solan - 173205, Himachal Pradesh, India.

Management's Responsibility

It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

- (i) Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- (ii) We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- (iii) Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

- (i) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
- (ii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For ML Aggarwal & Associates
Company Secretaries

MADAN LAL AGGARWAL
Prop.
FCS: 4840 / CP:13944
ICSI Unique Code-I2014UT1232800
ICSI UDIN-F004840B000665885

Place: CHANDIGARH
Date: 4TH SEPTEMBER 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Inflame Appliances Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Inflame Appliances Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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 (hereinafter referred to as "the financial statements").

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, 2020, and its loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 on the financial statements.

Emphasis of matter

We draw attention to Para R in Note No. 28 of the financial statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the working capital cycle and liquidity in future period.

Our opinion is not modified in respect of the matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.



Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance but does not include the financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE 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, board of director 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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.

PLACE: PANCHKULA
DATED: 21.07.2020



FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
FRN: 000458N

(GOURAV CHHIBBERR)
PARTNER
M.NO. 513968

UDIN-

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

(Referred to in paragraph 1 under heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Inflamm Appliances Limited on the financial statement of year ended 31st March, 2020).

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) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the company is in process of maintaining the prescribed accounts and records. We have, however, not made a detailed examination of the cost records with a view to determine whether they will be accurate & complete.

7) (a) According to information & explanations given to us and on the basis of our examination of the records of the Company is regular in depositing 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 with the appropriate authorities except some delay in depositing in EPF, ESI. Further there is no undisputed amount payable in respect of aforesaid dues outstanding for a period of more than six months as on 31st March, 2020, as per the accounts of the company except, the dues relating to the Employees State Insurance and Labour Welfare Fund. However, Employee



State Insurance for the month of June 19 to December 2019 which was outstanding as on 31.03.2020 has been paid on in the month of May & June 2020.

(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 bank except **some irregularity in working capital limits with the bank**. 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). The company has raised term loan from the bank during the year and has utilized for the purpose for which it has raised.

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.

PLACE: PANCHKULA
DATED: 21.07.2020



FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
ERN: 000458N

(GOURAV CHHIBBERR)
PARTNER
M.NO. 513968

UDIN-

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Inflammation Appliances Limited on the financial statement of year ended 31st March, 2020)

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 statement of INFLAME APPLIANCES LIMITED ("the Company") as of March 31, 2020 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



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:

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

Government subsidy related to specific fixed assets is reduced from the Gross value of the said asset. Capital Investment subsidy from Government is shown as Capital Reserve

XV 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.

XIV. 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



M/S INFLAME APPLIANCE LIMITED

STATEMENT OF ASSETS & LIABILITIES AS AT 31.03.2020

(IN RUPEES)

PARTICULARS	NOTES	FOR YEAR ENDED 31.03.2020 (AUDITED)		FOR YEAR ENDED 31.03.2019 (AUDITED)	
EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
(a) SHARE CAPITAL	'2'	60,000,000		60,000,000	
(b) SURPLUS	'3'	15,583,700	75,583,700	61,764,857	121,764,857
2. NON CURRENT LIABILITIES					
(a) LONG TERM BORROWING	'4'	23,938,951		15,857,023	
(b) DEFERED TAX LIABILITY	'5'	-		1,582,682	
(c) OTHER LONG TERM LIABILITIES	'6'	29,972,590		28,126,688	
(d) LONG TERM PROVISIONS	'7'	765,004	54,676,545	2,256,272	47,822,666
3. CURRENT LIABILITIES					
(a) SHORT TERM BORROWINGS	'8'	66,556,217		18,295,029	
(b) TRADE PAYABLES	'9'	98,569,386		120,827,836	
(c) OTHER CURRENT LIABILITIES	'10'	25,062,518		30,213,082	
(d) SHORT TERM PROVISIONS	'11'	-	190,188,122	127,994	169,463,941
TOTAL EQUITY & LIABILITIES		320,448,367		339,051,464	
ASSETS					
1. NON CURRENT ASSETS					
(a) PROPERTY PLANT & EQUIPMENT					
(i) TANGIBLE ASSETS	'12'	118,021,768		129,753,874	
(ii) CAPITAL WORK IN PROGRESS	'12'	-		3,794,262	
(iii) INTANGIBLE ASSETS UNDER DEVELOPMENT	'12'	376,658		376,658	
b) DEFERRED TAX ASSET	'13'	13,410,654		-	
(b) LONG TERM LOANS AND ADVANCES	'14'	8,451,502		2,217,350	
(c) OTHER NON CURRENT ASSETS	'15'	5,675,179	145,935,762	7,091,495	143,233,639



2. CURRENT ASSETS

(a) INVENTORIES	'16'	71,082,018		75,480,939	
(b) TRADE RECEIVABLES	'17'	85,483,473		94,974,431	
(c) CASH & CASH EQUIVALENTS	'18'	4,238,142		8,781,841	
(d) SHORT TERM LOANS & ADVANCES	'19'	536,424		855,981	
(d) OTHER CURRENT ASSETS	'20'	13,172,549	174,512,605	15,724,633	195,817,825
TOTAL ASSETS			320,448,367		339,051,464

[Signature]
C.S.

or Inflame Appliances Limited

For and on behalf of the board of Directors

[Signature] Ashwange

Director

(DIRECTOR)

or Inflame Appliances Limited

[Signature]

Director

(DIRECTOR)

SIGNIFICANT ACCOUNTING POLICIES

'1'

CERTIFIED IN TERMS OF OUR SEPARATE
REPORT OF EVEN DATE ATTACHED

OTHER NOTES TO FINANCIAL STATEMENTS

'28'

THE ACCOMPANYING NOTES 1 TO 28 AND
SIGNIFICANT ACCOUNTING POLICIES FORM
AN INTEGRAL PART OF THE FINANCIAL
STATEMENTS

[Signature]
AMIT KAUSHIK
(CEO)

FOR M/S GANDHI MINOCHA & CO.,
CHARTERED ACCOUNTANTS

F2R.N. 000458N



(GOURAV CHHIBBERR)
PARTNER
M.NO. 513968
UDIN:

PLACE : PANCHKULA
DATE : 21.07.2020

M/S INFLAME APPLIANCE LIMITED			
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2020			
(IN RUPEES)			
PARTICULARS	NOTES	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
		(AUDITED)	(AUDITED)
I. REVENUE FROM OPERATION			
SALE OF PRODUCTS	'21'	153,856,127	551,104,756
OTHER INCOME	'22'	8,930,439	9,417,167
III. TOTAL REVENUE	(I+II)	162,786,566	560,521,923
IV. EXPENSES			
COST OF RAW MATERIAL CONSUMED	'23'	114,992,727	419,989,263
DECREASE/(INCREASE) IN FG & WIP	'24'	7,575,175	(21,765,380)
EMPLOYEE BENEFITS EXPENSE	'25'	34,380,883	37,519,571
FINANCE COSTS	'26'	6,353,555	2,672,904
DEPRECIATION AND AMORTIZATION COST	'12'	19,758,186	12,036,787
OTHER EXPENSES	'27'	37,275,458	81,577,237
TOTAL EXPENSES		220,335,985	532,030,382
V. PROFIT BEFORE EXCEPTIONAL & EXTRA ORDINARY ITEMS & TAXES	(III - IV)	(57,549,419)	28,491,541
VI. EXCEPTIONAL ITEMS/EXTRAORDINARY ITEMS		-	-
VII. PROFIT BEFORE TAX	(V - VI)	(57,549,419)	28,491,541
VIII. TAX EXPENSE:			
1. CURRENT TAX		-	5,942,000
2. DEFERRED TAX		14,993,336	1,434,942
3. MAT		-	(271,089)
4. SHORT & EXCESS PROVISION OF TAX RELATING TO EALIER YEAR		8,394	768,892



IX. PROFIT/LOSS FOR THE PERIOD	(VII - VIII)	(42,564,477)	20,616,795
		(42,564,477)	20,616,795
PAID UP CAPITAL		60,000,000	60,000,000
EARNING PER SHARE *		(7.09)	3.44
DILUTED EARNING PER SHARE		(7.09)	3.44
FACE VALUE PER SHARE		10.00	10.00

For and on behalf of the board of Directors

Ashwani
Director

Kaushik
Director

(DIRECTOR) (DIRECTOR)

SIGNIFICANT ACCOUNTING POLICIES '1'

OTHER NOTES TO FINANCIAL STATEMENTS '28'

THE ACCOMPANYING NOTES 1 TO 28 AND SIGNIFICANT ACCOUNTING POLICIES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

CERTIFIED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ATTACHED

FOR M/S GANDHI MINOCHA & CO.,
CHARTERED ACCOUNTANTS
F.R.N. 000458N

Amit Kaushik
AMIT KAUSHIK
(CEO)

Gourav Chhiberr
(GOURAV CHHIBERR)
PARTNER
M.NO. 513968

PLACE : PANCHKULA
DATE : 21.07.2020

UDIN:

M/S INFLAME APPLIANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

PARTICULARS	FIGURES FOR YEAR ENDED 31.03.2020		FIGURES FOR YEAR ENDED 31.03.2019	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
PART - I - CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM		(57,557,813)		28,491,541
ADD/LESS NON CASH ITEMS AND ITEMS CONSIDERED SEPERATELY:				
DEPRECIATION AND AMORTISATION EXPENSE	19,758,186		12,036,787	
AMORTIZATION OF PRELIMINARY EXPENSES	1,411,416		1,411,416	
INTEREST EXPENSES	6,353,555		2,672,904	
INTEREST INCOME	(335,673)	27,187,484	(501,735)	15,619,371
		(30,370,329)		44,110,912
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
ADJUSTMENTS FOR WORKING CAPITAL CHANGES:				
(INCREASE)/ DECREASE IN TRADE AND OTHER RECEIVABLES	9,490,958		(25,207,624)	
(INCREASE)/ DECREASE IN INVENTORIES	4,398,921		(50,897,264)	
(INCREASE)/ DECREASE IN OTHER CURRENT ASSETS	2,552,084		(10,721,558)	
(INCREASE)/ DECREASE IN SHORT TERM LOAN AND ADVANCES	319,557		18,544,656	
INCREASE/ (DECREASE) IN TRADE PAYABLES	(22,258,450)		41,686,555	
INCREASE/ (DECREASE) OTHER CURRENT LIABILITIES	(5,150,563)		26,476,469	
INCREASE/ (DECREASE) SHORT TERM BORROWINGS	48,261,188		18,295,029	
INCREASE/ (DECREASE) SHORT TERM PROVISION	(127,994)		(367,075)	
INCREASE/ (DECREASE) OTHER LONG TERM LIABILITIES	1,845,902		28,126,688	
INCREASE/ (DECREASE) OTHER LONG TERM PROVISION	(1,491,268)		2,256,272	
(INCREASE)/ DECREASE IN LONG TERM LOAN AND ADVANCES	(6,234,152)		(2,217,350)	
(INCREASE)/ DECREASE IN OTHER NON CURRENT ASSETS	4,900	31,611,082	(1,445,830)	44,528,969
CASH GENERATED FROM OPERATIONS		1,240,753		88,639,881
INCOME TAX		-		(6,439,803)
CASH FLOW BEFORE EXTRAORDINARY ITEM		1,240,753		82,200,078
ANY EXTRAORDINARY ITEM				
NET CASH FROM/(TO) OPERATING ACTIVITIES (A)		1,240,753		82,200,078
PART - II CASH FLOW FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS	(5,088,633)		(111,389,782)	
SALE OF FIXED ASSETS	1,017,000		-	
INTEREST RECEIVE ON FDR	335,673		501,735	
PROFIT ON SALE OF MACHINERY	(160,185)			
DECREASE / (INCREASE) FIXED DEPOSIT WITH BANK	3,966,466	70,321	8,462,000	(102,426,047)
NET CASH FROM/(TO) INVESTING ACTIVITIES (B)		70,321		(102,426,047)
PART - III CASH FLOW FROM FINANCING ACTIVITIES				
PROCEEDS FROM LOANS	12,577,000		12,953,572	
REPAYMENT OF LOANS	(4,495,072)		(3,162,748)	
DIVIDEND PAID	(3,000,000)		-	
DIVIDEND DISTRIBUTION TAX	(616,680)		-	
INTEREST EXPENSES	(6,353,555)	(1,888,307)	(2,672,904)	



NET CASH FLOW FROM FINANCING ACTIVITIES	(1,888,307)	7,117,920
NET CHANGE IN CASH AND CASH EQUILENT	(577,233)	(13,108,049)
OPENING CASH AND CASH EQUIVALENTS	743,841	13,851,891
CLOSING CASH AND CASH EQUIVALENTS	166,608	743,841

DIFFERENCE IN OPENING AND CLOSING CASH AND CASH EQUIVALENTS	(577,233)	(13,108,049)
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For and on behalf of the board of Directors
of Inflame Appliances Limited
Ashwani S.
Director
(DIRECTOR)
of Inflame Appliances Limited
Hanshu
Director
(DIRECTOR)

RL
C-S.

CERTIFIED IN TERMS OF OUR SEPARATE
REPORT OF EVEN DATE ATTACHED

FOR M/S GANDHI MINOCHA & CO.,
CHARTERED ACCOUNTANTS
P.R.N. 000458N

Amit Kaushik
AMIT KAUSHIK
(CEO)



Gourav Chhibber
(GOURAV CHHIBBER)
PARTNER
M.NO. 513968

PLACE : PANCHKULA
DATE : 21.07.2020

UDIN:

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 has 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.

Impact of Covid-19 on financials

Currently, there is no major impact of Covid-19 on the Standalone Financial Statements of the Company. However, the extent to which COVID-19 pandemic will impact the Company's financial statements in the future will depend on further developments which are highly uncertain, including, any new information concerning the severity of pandemic and any action to contain its spread or mitigate its impact.



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, 2020, 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.

PLACE: PANCHKULA
DATED: 21.07.2020

FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
FRN: 000458N



(GOURAV CHHIBBERR)
PARTNER
M.NO. 513968
UDIN- 20513968AAAA9A9037

M/S INFLAME APPLIANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

SHARE CAPITAL

NOTE-2

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
AUTHORISED SHARE CAPITAL		
60,00,000 (50,00,000) EQUITY SHARES OF RS. 10/- EACH	60,000,000	60,000,000
ISSUED AND, SUBSCRIBED AND PAID UP		
60,00,000 (40,00,000) EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP	60,000,000	60,000,000
TOTAL (RS.)	60,000,000	60,000,000

A. THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
-EQUITY SHARES AT THE BEGINNING OF THE YEAR	6,000,000	4,000,000
-BONUS SHARES ISSUED DURING THE YEAR	-	2,000,000
-EQUITY SHARES AT THE END OF THE YEAR	6,000,000	6,000,000

B. TERM / RIGHT ATTACHED TO THE 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 PERIOD OF LAST 5 YEARS THE COMPANY HAS ISSUED 20,00,000 BONUS SHARES IN THE RATIO OF 1:2 IN F.Y. 2018-19 AND HAS NOT BOUGHT BACK ANY SHARES.

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:

PARTICULARS	YEAR OF ISSUE
ISSUE OF 20,00,000 FULLY PAID-UP EQUITY SHARES OF FACE VALUE RS. 10/- WITH RIGHTS AT PAR WITH EXISTING EQUITY SHARES IN THE RATIO OF 1:2	2018-19



C. DETAILS OF SHAREHOLDING EXCEEDING 5% BY INDIVIDUAL SHAREHOLDER AT YEAR END:

NAME OF SHARE HOLDER	NUMBER OF SHARES	%AGE OF HOLDING	NUMBER OF SHARES	%AGE OF HOLDING
ADITYA KAUSHIK	3,668,400	61.14%	3,668,400	61.14%
DINESH KAUSHIK	495,600	8.26%	495,600	8.26%
NOTE -3			RESERVES & SURPLUS	
PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)		FOR YEAR ENDED 31.03.2019 (AUDITED)	
SECURITY PREMIUM				
-OPENING BALANCE	35,557,000		55,557,000	
-LESS: UTILISED FOR BONUS ISSUE	-	35,557,000	20,000,000	35,557,000
OPENING BALANCE	26,207,857		5,591,062	
LESS: DIVIDEND	(3,000,000)		-	
LESS: DIVIDEND DISTRIBUTION TAX	(616,680)		-	
-ADD: PROFIT/(LOSS) FOR THE YEAR	(42,556,278)	(19,965,101)	20,616,795	26,207,857
TOTAL (RS.)		15,591,899		61,764,857



M/S INFLAME APPLIANCE LIMITED

NOTE - 4**LONG TERM BORROWING**

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)		FOR YEAR ENDED 31.03.2019 (AUDITED)	
SECURED LOANS				
TERM LOAN 00018 (CANARA BANK)	-		461,925	
TERM LOAN 00017 (CANARA BANK)	-		320,869	
TRUCK LOAN (HDFC BANK) ¹	526,256		882,242	
CAR LOAN CRETA (HDFC BANK) ²	56,702		270,678	
CAR LOAN BMW (BMW FINANCIAL SERVICES) ³	1,133,071		1,833,299	
CAR LOAN i10 GRAND (YES BANK) ⁴	121,875		314,710	
IDFC FIRST BANK LOAN ⁵	1,373,307		-	
LOAN FROM TATA CAPITAL ⁶	7,000,210		10,111,450	
LOAN FROM TATA CAPITAL ⁶	1,150,530	11,361,951	1,661,850	15,857,023
UNSECURED LOANS				
-MR. ASHWANI GOEL	4,444,000		-	
-MR. DINESH KAUSHIK	6,153,000		-	
-MR. ADITYA KAUSHIK	1,980,000	12,577,000	-	-
TOTAL(RS.)		23,938,951		15,857,023

1. TRUCK LOAN FROM HDFC BANK IS SECURED BY HYPOTHECATION OF TRUCK FOR WHICH LOAN HAS BEEN TAKEN AND FURTHER SECURED BY

DIRECTOR'S GUARANTEE. CARRIES ROI OF 8.90% PAYABLE IN TOTAL 48 INSTALMENTS

2. CAR LOAN FROM HDFC BANK IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN AND FURTHER SECURED BY DIRECTOR'S

GUARANTEE CARRYING ROI OF 9.40% PAYABLE IN 36 EMIs.

3. 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. CARRYING ROI OF 7.90% PAYABLE IN 60 EMIs.

4. CAR LOAN FROM YES BANK IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN CARRYING ROI OF 10 % PAYABLE IN 36 EMIs.

5. BUSINESS LOAN FROM IDFC FIRST BANK IS SECURED BY DIRECTOR'S GUARANTEE. CARRYING ROI OF 18% pa PAYABLE IN 36 EMIs.

6. LOAN FROM TATA CAPITAL IS SECURED BY HYPOTHECATION AGAINST SPECIFIC MACHINERY FOR WHICH LOAN HAS BEEN TAKEN CARRYING ROI OF 11% PAYABLE IN 60 EMIs.

7. UNSECURED LOAN FROM DIRECTOR ARE TAKEN WITHOUT INTEREST SUBJECT TO REVISION FROM TIME TO TIME AND IS REPAYABLE ON DEMAND. HOWEVER SAME HAS BEEN TAKEN TO MEET BUSINESS REQUIREMENT ON LONG TERM BASIS.

NOTE - 5**DEFERRED TAX LIABILITY(NET)**

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
DEFERRED TAX LIABILITY		
FIXED ASSETS: IMPACT OF DIFFERENCE BETWEEN TAX DEPRECIATION AND DEPRECIATION CHARGED FOR THE FINANCIAL REPORTING	-	2,210,377
GROSS DEFERRED TAX LIABILITY	-	2,210,377



LESS:IMPACT OF EXPENDITURE CHARGED TO THE STATEMENT OF P&L BUT NOT ALLOWED FOR TAX PURPOSE ON PAYMENT BASIS(GRATUITY)	-	627,695
NET DEFERRED TAX LIABILITY	-	1,582,682

NOTE- 6 OTHER LONG TERM LIABILITIES

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
CREDITOR AGAINST CAPITAL GOODS*	29,972,590	28,126,688
LOAN FROM TATA CAPITAL6	29,972,590	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(DUE DATE OF LC PAYMENT IS 07.08.2021), 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- 7 LONG TERM PROVISIONS

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
PROVISION FOR GRATUITY	765,004	2,256,272
TOTAL(RS.)	765,004	2,256,272

NOTE- 8 SHORT TERM BORROWINGS

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
HDFC BANK LTD(4547) ¹	66,556,217	-
CANARA BANK CC(0598)	-	18,295,029
TOTAL (RS.)	66,556,217	18,295,029

1. CC BY HDFC BANK LTD. IS SECURED AGAINST HYPOTHETICATION OF STOCK,DEBTORS, CASH MARGIN FOR LC,BG, CONFIRMED LC BACKED BY DISCOUNTING ,PERSONAL GUARANTEE OF THE PROMOTERS AND COLLATERAL SECURITY OF FACTORY LAND AND BUILDING COMPRISING IN INDUSTRIAL VILLAGE BAGWALI, BLOCK RAIPUR RANI,BH-73, KHASRA NO 40/14-15-16-17/1134005 RAIPUR RANI



NOTE - 9

TRADE PAYABLES

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
SUNDRY CREDITORS (REFER TO POINT 'G' OF 'NOTE 27' FOR MICRO AND SMALL ENTERPRISES DISCLOSURE)	97,489,578	118,479,462
CREDITORS FOR CAPITAL GOODS	1,079,808	2,348,374
TOTAL (Rs.)	98,569,386	120,827,836

NOTE - 10

OTHER CURRENT LIABILITIES

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
EXPENSES PAYABLE	19,219,941	24,199,891
SECURED LOANS (PAYABLE IN YEARS TIME)		
CAR LOAN VERA (HDFC BANK)	-	29,962.27
CAR LOAN ALTO (HDFC BANK)	-	110,387.00
CAR LOAN BMW (BMW FINANCIAL SERVICES) ³	775,074	716,384.54
CAR LOAN CRETA (HDFC BANK) ²	213,976	194,828.83
TRUCK LOAN (HDFC BANK) ¹	355,986	325,919.03
CAR LOAN i10 GRAND (YES BANK) ⁴	192,835	174,201.00
LOAN FROM TATA CAPITAL (1.40 Cr) ⁶	3,111,240	3,111,240.00
IDFC FIRST BANK LOAN ⁵	579,744	-
LOAN FROM TATA CAPITAL (23L) ⁶	511,320	511,320.00
TERM LOAN 00017 (CANARA BANK)	-	303,176.97
TERM LOAN 00018 (CANARA BANK)	-	437,609.00
INTEREST ACCRUED BUT NOT DUE	102,403	98,162
TOTAL (Rs.)	25,062,518	30,213,082



1. TRUCK LOAN FROM HDFC BANK IS SECURED BY HYPOTHECATION OF TRUCK FOR WHICH LOAN HAS BEEN TAKEN AND FURTHER SECURED BY DIRECTOR'S GUARANTEE. CARRIES ROI OF 8.90% PAYABLE IN TOTAL 48 INSTALMENTS
2. CAR LOAN FROM HDFC BANK IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN AND FURTHER SECURED BY DIRECTOR'S GUARANTEE CARRYING ROI OF 9.40% PAYABLE IN 36 EMIs.
3. 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.CARRYING ROI OF 7.90% PAYABLE IN 60 EMIs.
4. CAR LOAN FROM YES BANK IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN CARRYING ROI OF 10 % PAYABLE IN 36 EMIs.
5. BUSINESS LOAN FROM IDFC FIRST BANK IS SECURED BY DIRECTOR'S GUARANTEE.CARRYING ROI OF 18% pa PAYABLE IN 36 EMIs.
- 6.LOAN FROM TATA CAPITAL IS SECURED BY HYPOTHECATION AGAINST SPECIFIC MACHINERY FOR WHICH LOAN HAS BEEN TAKEN CARRYING ROI OF 11% PAYABLE IN 60 EMIs.

NOTE - 11

SHORT TERM PROVISIONS

PARTICULARS	FOR YEAR ENDED 31.03.2020 (AUDITED)	FOR YEAR ENDED 31.03.2019 (AUDITED)
PROVISION FOR TAXATION (NET OF ADVANCE TAX ,TDS & TCS)	-	127,994
TOTAL (Rs.)	-	127,994



M/S INFLAME APPLIANCE LIMITED

Notes to financial statements for the year ended March 31, 2020

NOTE 12. PROPERTY, PLANT & EQUIPMENT

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Additions		Deductions		DEPRICIATION 2019-20		SALE/ADJUST MENTS		As at 31-03-20	As at 31-03-19
	As at 31-03-19			As at 31-03-20	As at 31-03-19		As at 31-03-20			
TANGIBLE ASSETS										
Land	20,164,843	-	-	20,164,843	-	-	-	-	20,164,843	20,164,843
Buildings	22,592,324	3,943,257	-	26,535,581	529,406	2,284,609	2,814,015		23,721,566	22,062,918
Plant & Machinery	86,495,647	3,110,074	1,026,500	88,579,221	9,878,189	14,006,548	(169,685)	23,715,052	64,864,169	76,617,457
Electrical Installation	3,340,966	56,676	-	3,397,642	493,222	749,987	-	1,243,209	2,154,433	2,847,744
Generator	710,000	-	-	710,000	122,982	106,271	-	229,254	480,746	587,018
Fire Extinguisher	63,918	-	-	63,918	56,163	3,495	-	59,658	4,260	7,755
OFFICE EQUIPMENT	237,128	34,856	-	271,984	42,117	58,194	-	100,311	171,673	195,011
Lab Equipment	614,736	3,800	-	618,536	232,572	99,708	-	332,280	286,256	382,164
Water Filter	42,800	-	-	42,800	11,374	8,135	-	19,509	23,291	31,426
Air Conditioner	449,105	121,702	-	570,807	142,120	186,455	-	328,575	242,232	306,985
Mobile	302,002	46,607	-	348,609	131,047	120,595	-	251,642	96,967	170,955
Furniture & Fixtures	648,560	1,499,292	-	2,147,852	237,330	354,431	-	591,760	1,556,092	411,230
Motor Vehicles	9,214,307	-	-	9,214,307	3,639,146	1,502,262	-	5,141,409	4,072,898	5,575,160
CCTV	77,515	-	-	77,515	6,451	44,884	-	51,335	26,180	71,064
Computer	650,863	66,631	-	717,495	342,452	223,939	-	566,391	151,104	308,412
Tally 9 ERP	64,900	-	-	64,900	51,168	8,673	-	59,841	5,059	13,732
	145,669,614	8,882,895	1,026,500	153,526,009	15,915,740	19,758,186	(169,685)	35,504,241	118,021,768	129,753,874
Factory Building	3,794,262	-	3,794,262	-	-	-	-	-	-	3,794,262
	3,794,262	-	3,794,262	-	-	-	-	-	-	3,794,262
INTANGIBLE ASSETS UNDER DEVELOPMENT										
SOFTWARE (SAP)	376,658	-	-	376,658	-	-	-	-	376,658	376,658
	376,658	-	-	376,658	-	-	-	-	376,658	376,658
Grand Total	149,840,534	8,882,895	4,820,762	153,902,667	15,915,740	19,758,186	(169,685)	35,504,241	118,398,426	133,924,794



M/S INFLAME APPLIANCE LIMITED

NOTE - 13

DEFFERED TAX ASSET(NET)

PARTICULARS	FOR YEAR ENDED 31.03.2020	FOR YEAR ENDED 31.03.2019
DEFFERED TAX LIABILITY		
FIXED ASSETS:IMPACT OF DIFFERENCE BETWEEN TAX DEPRECIATION AND DEPRECIATION CHARGED FOR THE FINANCIAL REPORTING	(2,536,660)	-
GROSS DEFERRED TAX LIABILITY	<u>(2,536,660)</u>	-
DEFERRED TAX ASSET		
IMPACT OF LOSS INCURRED DURING THE YEAR	15,748,413	-
IMPACT OF EXPENDITURE CHARGED TO THE STATEMENT OF P&L BUT NOT ALLOWED FOR TAX PURPOSE ON PAYMENT BASIS(GRATUITY)	198,901	-
NET DEFERRED TAX	<u>13,410,654</u>	-

NOTE- 14

LONG TERM LOANS AND ADVANCES

PARTICULARS	FOR YEAR ENDED 31.03.2020	FOR YEAR ENDED 31.03.2019
MAT CREDIT ENTITLEMENT	439,676	439,676
DEPOSIT WITH NBFC AGAINST LC PAYMENT	8,011,826	1,777,674
TOTAL (Rs.)	<u>8,451,502</u>	<u>2,217,350</u>

NOTE- 15

OTHER NON CURRENT ASSETS

PARTICULARS	FOR YEAR ENDED 31.03.2020	FOR YEAR ENDED 31.03.2019
SECURITIES		
SECURITY DEPOSITS	1,440,930	1,445,830
PRE OPERATIVE EXPENSES	5,645,665	7,057,081
-LESS: 1/5 TH TO BE WRITTEN OFF	<u>1,411,416</u>	<u>1,411,416</u>
TOTAL (Rs.)	<u>5,675,179</u>	<u>7,091,495</u>



NOTES-16

INVENTORIES

PARTICULARS	FOR YEAR ENDED 31.03.2020		FOR YEAR ENDED 31.03.2019	
RAW MATERIALS	46,569,489		49,426,549	
MATERIAL IN TANSIT	6,033,314		-	
W.I.P	3,875,885		7,055,780	
FINISHED GOODS	14,603,330	71,082,018	18,998,610	75,480,939
TOTAL (Rs.)		71,082,018		75,480,939

NOTE- 17

TRADE RECEIVABLE

PARTICULARS	FOR YEAR ENDED 31.03.2020		FOR YEAR ENDED 31.03.2019	
OUTSTANDING FOR PERIOD EXCEEDING 6 MONTHS	72,832,856		19,637,880	
OTHERS	12,650,617	85,483,473	75,336,551	94,974,431
TOTAL (Rs.)		85,483,473		94,974,431

NOTE- 18

CASH & CASH EQUIVALENTS

PARTICULARS	FOR YEAR ENDED 31.03.2020		FOR YEAR ENDED 31.03.2019	
BALANCE WITH SCHEDULED BANKS :				
CANARA BANK 579 (C/A)	-		25,871	
ICICI CC (1465)	58,783		-	
Canara Bank (0598)	92,614		-	
CANARA BANK (0579)	1,328		-	
INDIAN BANK(4441)	-		9,434	
BANK O.D. 2451261000560	8,222		83,042	
CASH IN HAND	5,660		625,494	
FIXED DEPOSITS				
CANARA BANK	-		8,038,000	
HDFC BANK LTD.				
-AGAINST LC	3,798,865		-	
-AGAINST BG	272,669		-	
TOTAL (Rs.)		4,238,142		8,781,841



NOTE-19

SHORT TERM LOANS AND ADVANCES

PARTICULARS	FOR YEAR ENDED 31.03.2020		FOR YEAR ENDED 31.03.2019	
ADVANCES RECOVERABLE IN CASH OR KIND (AS PER LIST '5' ATTACHED)	338,687		745,911	
ADVANCE FOR CAPITAL GOODS (AS PER LIST '6' ATTACHED)	<u>197,737</u>	536,424	<u>110,071</u>	855,981
TOTAL (RS.)		<u>536,424</u>		<u>855,981</u>

NOTE- 20

OTHER CURRENT ASSETS

PARTICULARS	FOR YEAR ENDED 31.03.2020		FOR YEAR ENDED 31.03.2019	
PREPAID EXPENSES		88,435		1,409,285
INTEREST ACCRUED		193,776		306,590
BALANCE WITH REVENUE AUTHORITIES				
TDS RECOVERABLE(FDR)	29,340		-	
GST RECOVERABLE	12,784,402		13,932,163	
VAT TAX RECOVERABLE	<u>76,595</u>	12,890,337	<u>76,595</u>	14,008,758
TOTAL (RS.)		<u>13,172,549</u>		<u>15,724,633</u>



M/S INFLAME APPLIANCE LIMITED

NOTE-21

REVENUE FROM OPERATIONS

PARTICULARS	FOR YEAR ENDED 31.03.2020		FOR YEAR ENDED 31.03.2019	
SALES				
-EXPORT	11,403,234		3,086,582	
-DOMESTIC	142,452,892	153,856,127	548,018,174	551,104,756
TOTAL (RS.)		<u>153,856,127</u>		<u>551,104,756</u>

NOTE-22

OTHER INCOME

PARTICULARS	FOR YEAR ENDED 31.03.2020		FOR YEAR ENDED 31.03.2019	
AMOUNT WRITTEN BACK	7,764,778		2,356,237	
INTT INCOME	335,673		501,735	
DISCOUNT RECEIVED	427,065		2,395,483	
DUTY DRAWBACK	95,813		-	
EXCHANGE FLUCTUATION	-		4,149,631	
PROFIT ON SALE OF MACHINERY	160,185		-	
MISC. INCOME/SHORT & EXCESS	146,925	8,930,439	14,082	9,417,167
TOTAL (RS.)		<u>8,930,439</u>		<u>9,417,167</u>

NOTE-23

PURCHASE/CONSUMPTION OF RAW MATERIALS

PARTICULARS	FOR YEAR ENDED 31.03.2020		FOR YEAR ENDED 31.03.2019	
OPENING STOCK OF RAW MATERIAL	49,426,549		20,294,665	
ADD: PURCHASES				
IMPORT (FOREIGN)	14,540,953		36,607,822	
DUTIES & TAXES(CUSTOM)	1,373,266		3,271,507	
CLEARING CHARGES	-		563,153	
PACKING MATERIAL	-		13,493,277	
DOMESTIC PURCHASES	102,254,762	167,595,530	395,185,388	469,415,812
LESS: CLOSING STOCK				
RAW MATERIALS	46,569,489		49,426,549	
STOCK IN TRANSIT	6,033,314	52,602,803	-	49,426,549
TOTAL (RS.)		<u>114,992,727</u>		<u>419,989,263</u>



NOTE-24

CHANGE IN INVENTORY OF FINISHED GOODS

PARTICULARS	FOR YEAR ENDED 31.03.2020	FOR YEAR ENDED 31.03.2019
CLOSING STOCK OF STOCK IN TRADE		
-WIP	3,875,885	7,055,780
-FINISHED GOODS	14,603,330	18,998,610
OPENING STOCK OF STOCK IN TRADE		
-FINISHED GOODS	18,998,610	4,289,010
-WIP	7,055,780	-
DECREASE/(INCREASE) IN STOCK IN TRADE	<u>7,575,175</u>	<u>(21,765,380)</u>

NOTE-25

EMPLOYEE BENEFITS EXPENSE

PARTICULARS	FOR YEAR ENDED 31.03.2020	FOR YEAR ENDED 31.03.2019
SALARY AND WAGES	27,131,383	23,836,195
REMUNERATION		
-DIRECTOR	2,350,000	3,525,000
-DIRECTOR'S RELATIVE	900,000	1,350,000
-KEY MANAGERIAL PERSON	1,200,000	2,400,000
CONTRIBUTION TO PF / ESI	1,107,015	1,597,505
GRATUITY	(1,390,983)	2,456,272
LWF CONTRIBUTION	102,890	23,200
PRODUCTION INCENTIVE	1,765,110	1,358,829
STAFF WELFARE EXPENSES	<u>1,215,468</u>	<u>972,570</u>
TOTAL (Rs.)	<u>34,380,883</u>	<u>37,519,571</u>

NOTE-26

FINANCE COST

PARTICULARS	FOR YEAR ENDED 31.03.2020	FOR YEAR ENDED 31.03.2019
INTEREST ON VEHICLE LOANS	351,368	438,847
INTT ON CC	4,162,331	911,657
INTEREST ON LOANS	1,726,615	1,275,327
OTHER INTEREST	<u>113,241</u>	<u>47,072</u>
TOTAL (RS.)	<u>6,353,555</u>	<u>2,672,904</u>



PARTICULARS	FOR YEAR ENDED 31.03.2020		FOR YEAR ENDED 31.03.2019	
MANUFACTURING AND OTHER EXPENSES :-				
FREIGHT INWARD	1,473,531		3,843,470	
JOB WORK CHARGES	1,269,241		8,076,447	
FACTORY CONSUMABLES	1,535,375		1,084,440	
LOADING & UNLOADING EXP.	147,065		247,671	
DETENTION CHARGES	1,118,550		-	
POWER CHARGES	4,771,520		1,214,491	
IMPORT HANDLING CHARGES	2,014,961		716,801	
FUEL & DIESEL	887,173		761,035	
ANTI DUMPING DUTY	-		25,209	
BIS FEE	310,835	13,528,251	2,878,514	18,848,077
ADMINISTRATIVE EXPENSES :-				
ACCOUNTING CHARGES	96,375		75,000	
DONATION	11,000		13,000	
INSURANCE	371,221		1,693,043	
RENT (FLAT)	114,084		79,750	
RENT (FACTORY)	90,000		622,300	
TELEPHONE EXPENSES	68,884		84,061	
REPAIR AND MAINTAINENCE	271,129		509,070	
SOFTWARE RENEWAL EXPENSE	-		43,825	
REGISTRATION & FILING	372,000		-	
POSTAGE AND COURIER	108,974		43,264	
PRINTING & STATIONARY	185,910		105,497	
LEGAL & PROFESSIONAL CHARGES	771,324		886,483	
SOCIAL WELFARE SURCHARGE	137,326		352,274	
TRAVELLING & CONVEYANCE	2,266,882		1,820,112	
VEHICLE RUNNING EXP.	523,447		581,631	
AUDIT FEES	250,000	5,638,555	280,000	7,189,311
SELLING AND DISTRIBUTION EXPENSES :-				
BUSINESS PROMOTION	437,143		425,891	
COMMISSION	8,544,230		46,875,472	
FREIGHT OUTWARD	1,385,798		936,589	
TRANSPORTATION CHARGES	-		30,000	
DISCOUNT ALLOWED	22,214		178	
CHANNEL ACCESS FEES	1,333,330	11,722,715	2,169,883	50,438,013



MISC. EXPENSES

BANK CHARGES	1,003,024		834,580	
BONUS ISSUE EXPENSES	23,600		332,542	
DOCUMENTATION CHRGES	296,153		8,476	
DESIGNING EXP	128,490		31,250	
DIWALI GIFTS	3,270		202,401	
INTERNET EXPENSES	44,222		24,500	
INTEREST, FINES & CHARGES	305,781		155,017	
HOUSE KEEPING & TANK CLEANING	25,604		-	
MEMBERSHIP FEE	229,546		45,235	
ADVERTISEMENT	-		46,800	
EXCHANGE FLUCTUATION	2,096,427		-	
ROC FEES	28,124		-	
BAD DEBTS WRITTEN OFF	-		679,028	
LABOUR CHARGES	197,944		7,895	
INTT U/S 234	-		368,114	
INTT ON TDS	40,834		2,783	
MATERIAL DEDUCTION	-		140,524	
ROUND OFF	1,632		(173)	
MEDICAL EXPENSE	17,349		35,775	
RESEARCH & DEVELOPMENT	40,000		25,417	
SECURITY GUARD EXPENSES	-		384,110	
WEBSITE MAINTAINENCE CHARGES	-		112,500	
WEIGHTMENT CHARGES	4,560		7,680	
PRELIMINARY EXP. WRITTEN OFF	1,411,416		1,411,416	
MISC EXP	264,539		29,886	
OTHERS	223,421	6,385,937	216,081	5,101,836
TOTAL (RS.)		37,275,458		81,577,237



NOTE - '28'		OTHER NOTES TO ACCOUNTS	
CONTINGENT LIABILITIES	NIL		NIL
CAPITAL COMMITMENT	NIL		NIL
PARTICULARS	AS ON 31.03.2020	AS ON 31.03.2019	
A) REMMUNRATION TO AUDITORS	250,000		250,000
B) EXPENDITURE IN FOREIGN CURRENCY			
- RAW MATERIAL	14,540,953		36,607,822
- CAPITAL GOODS	-		53,774,589
- DIRECTOR FOREIGN TRAVEL	-		610,207
C) EARNING IN FOREIGN CURRENCY			
- F.O.B VALUE IN EXPORTS	10,852,440		3,086,582
D) RELATED PARTY TRANSACTIONS :			
i) DIRECTOR'S REMUNRATION	2,350,000		3,525,000
<p>E) Debtors, Creditors and Loans & Advances are subject to confirmation, Reconciliation and Consequential impact if any.</p> <p>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.</p> <p>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/payable as required under the said act have not been made.</p> <p>H) The effect of foreign exchange rate variations during the year</p>			
PARTICULARS	FOR THE YEAR ENDED 31.03.2020	FOR THE YEAR ENDED 31.03.2019	
i) AMOUNT CHARGED TO STATEMENT OF PROFIT & LOSS ACCOUNT GAIN/(LOSS)	(2,096,427)		4,149,631
I) DISCLOSURE AS PER ACCOUNTING STANDARD-15			
<p>(a) PROVIDENT FUND: Provident fund is statutory obligation and company pay fixed contribution at pre determined rate. It is a defined contribution plan in which both the company and the employee contribute monthly at a determined rate. Company contribution are charged to profit & loss account.</p> <p>(b) GRATUITY : Gratuity is defined Benefit plan. Gratuity (The long term employee benefit) recognised in the Profit & Loss account and Balance sheet as required in accordance with Accounting Standard-15(Revised) as under:-</p>			
KEY ACTUARIAL ASSUMPTION FOR ACTUARIAL VALUATION AS AT :-			
PARTICULARS	31.03.2020	31.03.2019	
MORTALITY TABLE	2012-14		*
DISCOUNT RATE	6.79%		*
SALARY ESCLATION	8.00%		*
EXPECTED RATE OF RETURN ON PLAN ASSETS	7.44%		*
I. Change in Present Value of Obligation			
Present Value of Obligation at the beginning of the period	2,256,272		*
Acquisition Adjustment	-		*
Interest Cost	166,777		*
Current Service Cost	586,126		*
Past Service Cost	-		*
Benefits Paid	-		*
Acturial (Gain)/Loss on obligation	(2,132,186)		*
Present Value of Obligation at the end of the period	876,989		*



II. Change in Fair Valur of Plan Assets	31.03.2020	31.03.2019
Fair Value of plan assets at the beginning of the period	191,836	*
Acquisition Adjustment	-	*
Expected return on plan assets	14,273	*
Contributions	-	*
LIC Charges	(91,551)	*
Benefits Paid	-	*
Acturial Gain/(Loss) on Plan Assets	(2,573)	*
Fair Value of plan assets at the end of the period	111,985	*
III. Fair Valur of Plan Assets	31.03.2020	31.03.2019
Fair Value of Plan Assets at the beginning of the period	191,836	*
Acquisition Adjustment	-	*
Actual return on Plan Assets	11,700	*
Contributions	-	*
LIC Charges	(91,551)	*
Benefits Paid	-	*
Fair Value of Plan Assets at the end of the period	111,985	*
IV. Acturial gain/loss Recognised	31.03.2020	31.03.2019
Acturial gain/(loss) for the period-Obligation	2,132,186	*
Acturial (gain)/loss for the period-Plan Assets	2,573	*
Total (gain)/Loss for the period	(2,129,613)	*
Acturial (gain)/loss recognizd in the period	(2,129,613)	*
Unrecognized acturial (gains)/losses at the end of the period	-	*
V. The Amount to be recognized in Balance sheet and Profit & Loss A/C	31.03.2020	31.03.2019
Present Value of Obligation at the end of the period	876,989	*
Fair Value of plan assets at the end of the period	111,985	*
Funded Status/ Difference	(765,004)	*
Excess of actual over estimated	-2573	*
Unrecognized acturial (gains)/losses	0	*
Net Asset/(Liability) recognized in Balance Sheet	(765,004)	*
VI. Expense recognized in Profit & Loss A/C	31.03.2020	31.03.2019
Current Service Cost	586,126	*
Past Service Cost	-	*
Interest Cost	166,777	*
Expected return on plan assets	(14,273)	*
Net Acturial Gain/(Loss) recognized in the period	(2,129,613)	*
Expense recognized in Profit & Loss A/C	(1,390,983)	*
VII. Reconciliation Statement of Expense in Profit & Loss A/C	31.03.2020	31.03.2019
Present Value of Obligation at the end of the period	876,989	*
Present Value of Obligation at the beginning of the period	2,256,272	*
Benefits Paid	-	*
Actual return on plan assets	(11,700)	*
Acquisition Adjustment	0	*
Expense recognized in Profit & Loss A/C	(1,390,983)	*
VIII. Movement in liability recognized in Balance sheet	31.03.2020	31.03.2019
Opening Net Liability	2,256,272	*
Expenses as above	(1,390,983)	*
Benefits Paid	-	*
Actual return on plan assets	11,700	*
Acquisition Adjustment	-	*
Closing Net Liability	876,989	*
IX. Major Categories of Plan Assets	31.03.2020	31.03.2019
Government of India Securities	-	*
High Quality Corporate Bonds	-	*
Equity Shares of Listed Bonds	-	*
Property	-	*
Funds Managed by Insurer	100%	*
Total	100%	*



* Figure not available

j) During the year, borrowing cost of Nil has been capitalized.

K) Disclosure as per Accounting Standard- 17 "Segment Reporting"

The Company's primary business is manufacturing LPG stove/cooktops/chimney and sheet metal components which in the context of Accounting Standard- 17 is considered the only business segment. Hence, no segmental reporting is required.

L) In compliance of Accounting Standard-18 on "Related Party Transaction ", the required information is as under:-

Name of the related party			RELATION
Mr. Aditya Kaushik			Mg. Director
Mr. Dinesh Kaushik			Director(Retired on 13.03.2020)
Mr. Amit Kaushik			Key Managerial Person
Mr. Anita Kaushik			Director(Retired on 11.12.2019)
Mr. Ashwani Kuamr Goel			Director(Appointed) on 12.12.2019)
Mr. Naveen Kumar			Director(Appointed) on 14.03.2020)
Ms. Ruchi Kaushik			Relative of Director
Mr. Ashish Kaushik			Relative of Director
Usha Enterprises			Prop. Dinesh Kaushik
Kaushik Kreation			Prop. Aditya Kaushik
Super Packaging			Prop. Director's relative
Mahaluxmi Industries			Prop. Naveen Kumar
Ness Appliances			Prop. Ashish Kaushik

PARTICULARS	TRANSACTION TYPE	31.03.2020	31.03.2019
i) REMUENERATION			
-DIRECTORS	REMUNERATION	2,350,000	3,525,000
-KEY MANAGERIAL PERSON	CEO	1,200,000	2,400,000
-DIRECTOR'S RELATIVE	REMUNERATION	900,000	1,350,000
ii)USHA ENTERPRICES			
	SALE	-	5,596,321
	PURCHASE	-	9,609,408
	JOB WORK	-	320,517
OUTSTANDING BALANCE AS ON 31.3.2020		-	-
iii) KAUSHIK KREATION			
	SALE	-	1,796,319
	PURCHASE	-	45,224
OUTSTANDING BALANCE AS ON 31.3.2020		-	7,658,324
iv) SUPER PACKAGING			
	SALE	194,750	25,594
	PURCHASE	6,304,321	1,865,319
OUTSTANDING BALANCE AS ON 31.3.2020		1,751,758	960,341
v) MAHALUXMI INDUSTRIES			
	SALE	83,159	-
	PURCHASE	4,715,591	-
OUTSTANDING BALANCE AS ON 31.3.2020		(874,601)	-
vi) NESS APPLIANCES			
	SALE	2,415,690	-
OUTSTANDING BALANCE AS ON 31.3.2020		(1,603,449)	-

M) DISCLOSURE AS PER AS-19	31.03.2020	31.03.2019
FUTURE LEASE PAYMENTS TO BE PAID		
0-1 YEARS	188,112	111,600
1-5 YEARS	556,595	511,752
LATER THAN 5 YEARS	NIL	NIL
TOTAL LEASE RENTALS EXPECTED	744,707	623,352
LEASE RENTALS RECOGNIZED IN P&L IN C.Y.	204,084	35,000



-The company has taken building on lease and this lease deed is for open period with annual incremental clause of 10% every year, till the company use this premise. As per representation of management maximum period for which property would be held for 5 years. The lease does not qualify for any of the conditions of financial lease, it is treated as operating lease.

N) EARNING PER SHARE

PARTICULARS	31.03.2020	31.03.2019
NET PROFIT AFTER TAX	(42,556,278)	20,616,795
WEIGHTED AVG. NO OF EQUITY SHARES	6,000,000	6,000,000
EARNING PER SHARE (IN RS.)*	(7.09)	3.44
DILUTED EARNING PER SHARE	(7.09)	3.44

O) DISCLOSURE AS PER ACCOUNTING STANDARD-26 "INTANGIBLE ASSETS"

Company has a intangible Assets under development " SAP Software" , amount of Rs. 376658/-.

P) VALUE OF IMPORTED AND INDEGENOUS MATERIAL CONSUMED

PARTICULARS	31.03.2020		31.03.2019	
	%AGE	VALUE	%AGE	VALUE
RAW MATERIAL				
IMPORTED	12.45%	14,540,953	8.48%	36,607,822
INDIGENOUS	87.55%	102,254,762	91.52%	395,185,388

Q) The Foreign Currency exposures that are not hedged by a derivative instrument or otherwise are as under :

- ASSETS / RECEIVABLES (I.E. DEBTORS)		AS ON 31.03.2020		AS ON 31.03.2019	
IN FOREIGN CURRENCY					
IN US \$			23,400		73,990
IN EURO					
IN INDIAN CURRENCY					
IN US \$			1,770,561		5,116,778
IN EURO					
- LIABILITIES / PAYABLES (I.E. CREDITORS)		AS ON 31.03.2020		AS ON 31.03.2019	
IN FOREIGN CURRENCY					
IN US \$			37,671		156,511
IN EURO					
IN INDIAN CURRENCY					
IN US \$			2,850,369		10,823,495
IN EURO					
- LIABILITIES / PAYABLES (LONG TERM)		AS ON 31.03.2020		AS ON 31.03.2019	
IN FOREIGN CURRENCY					
IN US \$			362,119		362,119
IN EURO					
IN INDIAN CURRENCY					
IN US \$			29,972,590		28,126,688
IN EURO					



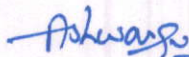
R) The Out break of Coronavirus(Covid-19) pandemic globally and in india is causing significant disturbance in all the spheres. Lockdown announced by the Government of India to contain the spread of virus has resulted in substantial slowdown in the economic activities. The Government and various regulators have since then introduced a variety of measures to contain the spread of virus and to mitigate the impacts of economic disruptions. However management believes that the impact of this outbreak is likely to impact Quarter -1 of F.Y. 2020-2021, However Business activities will start improving thereafter and normalise from Quarter-3 Onward.

The company is well geared to meet its funds needs. Currently company has sufficient limit to meet financial requirements. Further Government of India, as part of COVID-19 package announcement has also announced liquidity injection to MSME's through banking system.

Thus there are no reasons to believe that the current crisis will have any significant impact on the ability of company to maintain its operations including assessment of Going Concern for the company.


S) Previous year figures have been regrouped/ rearranged, wherever necessary.

For and on behalf of the Board of Directors


(DIRECTOR)



(DIRECTOR)

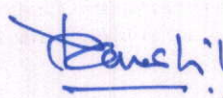
or Inflamm Appliances Limited


Director

or Inflamm Appliances Limited


Director


CS.


AMIT KAUSHIK
(CEO)



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 3rd ANNUAL GENERAL MEETING OF THE MEMBERS OF INFLAME APPLIANCES LIMITED WILL BE HELD ON TUESDAY, 29th DAY OF SEPTEMBER, 2020 AT 04:00 P.M. THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESSES

- 1. To receive, consider and adopt the Audited Financial Statements for the financial year Ended on 31st March, 2020, together with the Directors and Auditors Report.**

In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution;

“RESOLVED THAT the audited financial statement of the Company for the financial year ended on 31st March, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

SPECIAL BUSINESSES

- 2. Regularization cum appointment of Mr. Ashwani Kumar Goel (08621161) as an Whole Time Director of the Company:**

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions;

“RESOLVED THAT, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V to the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the board” which term shall include Nomination & Remuneration Committee of the Board), the approval of the Members of the Company be and is hereby accorded for appointment of Mr. Ashwani Kumar Goel (08621161) as Whole-Time Director of the Company for period of three (3) years w.e.f. September 29, 2020, liable to retire by rotation and on such terms and conditions including salary and perquisites (hereinafter referred to as “remuneration”) as set out in the explanatory statement annexed to this notice with the power to the board to alter and modify the same, in accordance with the provisions of the Act and in the best interest of the Company.

RESOLVED FURTHER THAT, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Ashwani Kumar Goel (08621161) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the board be and is hereby authorized to undertake all acts, deeds and execute all documents for the purpose of giving effect to this resolution, from time to time and to undertake all such steps, as may be deemed necessary in this matter.”

RESOLVED FURTHER THAT in terms of Section 190 of the Companies Act, 2013, no formal contract of service with Mr. Ashwani Kumar Goel (08621161) will be executed and this resolution along with its explanatory statement be considered as Memorandum setting out terms and conditions of appointment and remuneration of Mr. Ashwani Kumar Goel (08621161) as Whole-Time Director.

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

- 3. Regularization cum appointment of Mr. Naveen Kumar (08743772) as an Whole Time Director of the Company:**

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions;

“RESOLVED THAT, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V to the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate

Affairs in this regard, including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the board” which term shall include Nomination & Remuneration Committee of the Board), the approval of the Members of the Company be and is hereby accorded for appointment of Mr. Naveen Kumar (08743772) as Whole-Time Director of the Company for period of Five (5) years w.e.f. September 29, 2020, liable to retire by rotation and on such terms and conditions including salary and perquisites (hereinafter referred to as “remuneration”) as set out in the explanatory statement annexed to this notice with the power to the board to alter and modify the same, in accordance with the provisions of the Act and in the best interest of the Company.

RESOLVED FURTHER THAT, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Naveen Kumar (08743772) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the board be and is hereby authorized to undertake all acts, deeds and execute all documents for the purpose of giving effect to this resolution, from time to time and to undertake all such steps, as may be deemed necessary in this matter.”

RESOLVED FURTHER THAT in terms of Section 190 of the Companies Act, 2013, no formal contract of service with Mr. Naveen Kumar (08743772) will be executed and this resolution along with its explanatory statement be considered as Memorandum setting out terms and conditions of appointment and remuneration of Mr. Naveen Kumar (08743772) as Whole-Time Director.

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

4. To approve payment of Remuneration payable to Mr. Aditya Kaushik (DIN: 06790052), Chairman and Managing Director of the Company for his remaining term .

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the Board”), the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Aditya Kaushik (DIN: 06790052), Chairman and Managing Director of the Company as set out in the explanatory statement attached hereto with effect from January 4, 2021, for the existing term until revised and further with other terms and conditions remaining unchanged as per the explanatory statement of resolution passed for his appointment as Chairman and Managing Director with the power to the Board of Directors to alter and modify the same, in consonance with the provisions of the Act and in the best interest of the Company.

RESOLVED FURTHER THAT, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Aditya Kaushik (DIN: 06790052) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors (or any Committee thereof) be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, including modification and amendment of any revisions, thereof and to undertake all such steps, as may be deemed necessary in this matter.”

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Ahmedabad, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

IMPORTANT NOTES

1. In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the

members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 22/2020 dated June 15, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 3rd Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 13 and available at the Company's website www.inflameindia.com. The deemed venue for the AGM shall be the Registered Office of the Company.

2. Information regarding appointment/re-appointment of Director(s) and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard II is annexed hereto.
3. Though, pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, since this AGM is being held pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to rupalimiyabazaz@yahoo.in with copies marked to the Company at cs@inflameindia.com and to National Securities Depository Limited (NSDL) at evoting@nsdl.co.in.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.inflameindia.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL i.e. www.evoting.nsdl.com.
8. Those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses submitted, by following the procedure given below:
 - (a) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@inflameindia.com.
 - (b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@inflameindia.com.
 - (c) Alternatively, member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (a) or (b) as the case may be.
 - (d) It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Skyline Financial Services Pvt. Ltd, D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi, Delhi, 110020, by following the due procedure.
 - (e) Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, Accurate Securities & Registry Private Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
9. It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.

10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM or who would like to ask questions or registered themselves as Speaker, are requested to write to the Company mentioning their name demat account number/folio number, email id, mobile number at cs@inflammindia.com on or before September 23, 2020 so as to enable the management to keep the information ready. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. Members holding the shares in dematerialized form are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
13. **PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATING AT THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:**
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
 - ii. There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Wednesday, September 23, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
 - iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Wednesday, September 23, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
 - iv. The remote e-voting will commence on 9:00 A.M. on Saturday, September 26, 2020 and will end on 5:00 P.M. on Monday, September 28, 2020. During this period, the members of the Company holding shares as on the Cut-off date i.e. Wednesday, September 23, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
 - v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
 - vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Wednesday, September 23, 2020.
 - vii. The Company has appointed CS Rupali Pratik Sanghi, Practicing Company Secretary (Membership No. ACS: 32324; CP No: 14452), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

The remote e-voting period begins on 9:00 A.M. on Saturday, September 26, 2020 and will end on 5:00 P.M. on Monday, September 28, 2020. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1. Log-in to NSDL e-Voting system at www.evoting.nsdl.com.

Step 2. Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, you can send a request at evoting@nsdl.co.in or atcs@inflameindia.com mentioning your demat account number/folio number, your PAN, your name and your registered address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to rupalimiyabazaz@yahoo.in with copies marked to the Company at cs@inflameindia.com and to National Securities Depository Limited (NSDL) at evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

CONTACT DETAILS

Company	INFLAME APPLIANCES LIMITED Khewat Khatoni No. 45/45, Khasra No. 942/855/1 Village Kalyanpur Tehsil-Baddi Baddi Solan-173205. Tel No. : 01795-246820;
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	Email: info@inflammindia.com; Web: www.inflammindia.com
Registrar and Transfer Agent	Skyline Financial Services Private Limited D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi, Delhi, 110020 Tel No.: 011-64732681-88; Email: viren@skylinert.com; Web: www.skylinert.com
e-Voting Agency & VC / OAVM	Email: evoting@nsdl.co.in NSDL help desk 1800-222-990
Scrutinizer	Ms. Rupali Pratik Sanghi Email: rupalimiyabazaz@yahoo.in ; Contact No.: 9099611111

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@inflammindia.com. The same will be replied by the company suitably.

ANNEXURE TO THE NOTICE

The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are as follows:

Name of Director	Mr. Aditya Kaushik (DIN: 06790052)
Date of Birth	December 26, 1971
Date of Initial Appointment	November 11, 2017
Date of Appointment (at current term)	January 5, 2018
Educational Qualifications	Matric
Expertise in specific functional areas - Job profile and suitability	He was a partner in the firm M/s Techno Engineering Corpn. since 2015. He has 15 years of work experience in industry of Domestic Appliances and in Manufacturing of powder coating, different types of LPG GAS Stove, its parts and Sheet Metal Products. He is actively engaged in managing the company since his appointment as Director and is responsible for the expansion and overall management of the business of our Company.
Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)	Nil
Memberships / Chairmanships of committees of other public companies	Nil
Shareholding in the Company:	36,68,400 Equity Shares
Inter-se Relationship with other Directors	No relationship with other Directors

Name of Director	Mr. Ashwani Kumar Goel (DIN: 08621161)
Date of Birth	August 8, 1961
Date of Initial Appointment	December 12, 2019
Date of Appointment (at current term)	September 29, 2020 <i>(Appointed cum re-designated as Whole -Time Director in Board Meeting held on March 14, 2020 subject to approval of Shareholders in the ensuing Annual General Meeting.)</i>
Educational Qualifications	Engineering Graduate in Metallurgical Discipline from NIT, JAIPUR.
Expertise in specific functional areas - Job profile and suitability	He has vast industrial experience of 35 years in various positions in Jindal Group . He was associated with this group since 1990. In our Company, He will be responsible for entire operations including sourcing, financing and other miscellaneous activities relating to operations.
Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)	Nil
Memberships / Chairmanships of committees of other public companies	Nil
Shareholding in the Company:	Nil
Inter-se Relationship with other Directors	No relationship with other Directors

Name of Director	Mr. Naveen Kumar (DIN: 08743772)
Date of Birth	April 1, 1980
Date of Initial Appointment	March 14, 2020
Date of Appointment (at current term)	September 29, 2020 (Proposed for appointment as Whole Time Director in the ensuing Annual General Meeting)
Educational Qualifications	Senior Secondary Class
Expertise in specific functional areas - Job profile and suitability	He was associated with Mahalaxmi Industries (Manufacturer of brass burner of gas stove) since last 3 years. He will be responsible for activities related to manufacturing.
Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)	Nil
Memberships / Chairmanships of committees of other public companies	Nil
Shareholding in the Company:	Nil
Inter-se Relationship with other Directors	No Relationship with other directors

Registered office:

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

Date: September 4, 2020

Place: Baddi

For and on behalf of Board of Directors

Inflame Appliances Limited

CIN: U74999HP2017PLC006778

Sd/-

Aditya Kaushik

Chairman and Managing

Director

DIN 06790052

EXPLANATORY STATEMENT

(Pursuant to section 102 of Companies Act, 2013 and Secretarial Standard – II on General Meetings)

ITEM NO. 3

Regularization cum appointment of Mr. Ashwani Kumar Goel (08621161) as a Whole Time Director of the Company: SPECIAL RESOLUTION

The Board of Directors of the company (“the board”) at its meeting held on December 12, 2019 had appointed Mr. Ashwani Kumar Goel (08621161) as an Additional Non-Executive Independent Director of the Company and thereafter in its Board Meeting held on March 14, 2020 re-designated him as Additional Whole Time Director of the Company subject to approval of Shareholders in the ensuing Annual General Meeting in terms of provision of Section 161 read with Sections 196, 197 & 198 and Schedule V to the Companies Act, 2013.

In terms of provisions of Section 161 of the Companies Act, 2013, Mr. Ashwani Kumar Goel (08621161) holds office up to the date of ensuing Annual General Meeting and as such his appointment is required to be regularized. The Board of Directors proposes his appointment as an Whole Time Director of the Company for a period of three year w.e.f. September 29, 2020.

The Board of Directors had noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the maximum Remuneration payable to Mr. Ashwani Kumar Goel (08621161) as Whole Time Director of the Company, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Paragraph I (A) of Part II of Section II of Schedule V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of Mr. Ashwani Kumar Goel (08621161) as Whole-Time Director of the Company is now being placed before the Members for their approval by way of Special Resolution.

It is proposed to seek the members’ approval for the regularization cum appointment and remuneration payable to Mr. Ashwani Kumar Goel (08621161) as Whole-Time Director of the Company, in terms of the applicable provisions of the Act.

The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;

General Information:

Nature of Industry: Our Company is engaged in manufacturing of LPG Gas Stove/cook tops, Electrical Chimney and Sheet Metal Components.

Date or expected date of commencement of commercial production:-FY 2015-16

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

Financial performance based on given indicators:

(Rs. In Lakh)

PARTICULARS	Amount	
	YEAR ENDED	YEAR ENDED
	31.03.2020	31.03.2019
I. Net Sales/Income from Operations	153856127	551104756
II. Other Income	8930439	9417167
III. Total Revenue (I+II)	16,27,86,566.00	56,05,21,923.00
IV. Earnings Before Interest, Taxes, Depreciation and Amortization Expense	-3,14,37,678.00	4,32,01,232.00
V. Finance Cost	6353555	2672904

VI. Depreciation and Amortization Expense	19758186	12036787
VII. Profit Before Tax (IV-V-VI)	-57549419	28491541
VIII. Tax Expense:		
i Current Tax Expense		5942000
ii Deferred	14993336	1434942
iii MAT	0	-271089
iv Short and excess provision of tax relating to earlier year	8394	768892
IX. Profit After Tax (VII-VIII)	-42564477	20616795

Foreign investments or collaborations, if any: No collaborations has been made by the Company with any of foreign entity.

Information about the Whole-Time Director:

Background Details: Mr. Ashwani Kumar Goel has vast industrial experience of 35 years in various positions in Jindal Group. He was associated with this group in 1990. In our Company, he will be responsible for entire operations including sourcing, financing and other miscellaneous activities relating to operations.

Past Remuneration: N.A.

Recognition of Award: None

Job Profile and his suitability: His Capabilities as an accountable and entrepreneur enable him to diversify Company's presence into different nations and thereby different horizons.

Remuneration Proposed: up to ₹2.00 Lakh per month.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Ashwani Kumar Goel, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. Nil

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the regularization cum appointment and remuneration specified above to Mr. Ashwani Kumar Goel are now being placed before the Members for their approval.

The Board of Directors is of the view that the appointment of Mr. Ashwani Kumar Goel as Whole Time Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Ashwani Kumar Goel himself and his relatives to the extent of their shareholding in the Company if any, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

Item No. 4

Regularization cum appointment of Mr. Naveen Kumar (08743772) as an Whole Time Director of the Company:: SPECIAL RESOLUTION

The Board of Directors of the company ("the board") at its meeting held on March 14, 2020 had appointed Mr. Mr. Naveen Kumar (08743772) as an Additional Whole Time Director of the Company in terms of provision of Section 161 read with Sections 196, 197 & 198 and Schedule V to the Companies Act, 2013.

In terms of provisions of Section 161 of the Companies Act, 2013, Mr. Naveen Kumar (08743772) holds office up to the date of ensuing Annual General Meeting and as such his appointment is required to be regularized. The Board of Directors proposes his appointment as an Whole Time Director of the Company for a period of five years w.e.f. September 29, 2020.

The Board of Directors had noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the maximum Remuneration payable to Mr. Naveen Kumar (08743772) as Whole Time Director of the Company, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Paragraph I (A) of Part II of Section II of Schedule V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of Mr. Naveen Kumar (08743772) as Whole-Time Director of the Company is now being placed before the Members for their approval by way of Special Resolution.

It is proposed to seek the member's approval for the regularization cum appointment and remuneration payable to Mr. Naveen Kumar (08743772) as Whole-Time Director of the Company, in terms of the applicable provisions of the Act.

The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;

General Information:

Nature of Industry: Our Company is engaged in manufacturing of LPG Gas Stove/cook tops, Electrical Chimney and Sheet Metal Components.

Date or expected date of commencement of commercial production:-FY 2015-16

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

Financial performance based on given indicators:

(Rs. In Lakh)

PARTICULARS	Amount	
	YEAR ENDED	YEAR ENDED
	31.03.2020	31.03.2019
I. Net Sales/Income from Operations	153856127	551104756
II. Other Income	8930439	9417167
III. Total Revenue (I+II)	16,27,86,566.00	56,05,21,923.00
IV. Earnings Before Interest, Taxes, Depreciation and Amortization Expense	-3,14,37,678.00	4,32,01,232.00
V. Finance Cost	6353555	2672904
VI. Depreciation and Amortization Expense	19758186	12036787
VII. Profit Before Tax (IV-V-VI)	-57549419	28491541
VIII. Tax Expense:		
i Current Tax Expense		5942000
ii Differred	14993336	1434942
iii MAT	0	-271089
iv Short and excess provision of tax relating to earlier year	8394	768892
IX. Profit After Tax (VII-VIII)	-42564477	20616795

Foreign investments or collaborations, if any: No collaborations has been made by the Company with any of foreign entity.

Information about the Whole-Time Director:

Background Details: Mr. Naveen Kumar

Past Remuneration: N.A.

Recognition of Award: None

Job Profile and his suitability: His Capabilities as an accountable and entrepreneur enable him to diversify Company's presence into different nations and thereby different horizons.

Remuneration Proposed: up to ₹2.00 Lakh per month.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Naveen Kumar, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. Nil

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the regularization cum appointment and remuneration specified above to Mr. Naveen Kumar are now being placed before the Members for their approval.

The Board of Directors is of the view that the appointment of Mr. Naveen Kumar as Whole Time Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Naveen Kumar himself and his relatives to the extent of their shareholding in the Company if any, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

Item No. 5

To approve payment of Remuneration payable to Mr. Aditya Kaushik (DIN: 06790052), Chairman and Managing Director of the Company for his remaining term

Mr. Aditya Kaushik (DIN: 06790052) was appointed as Chairman and Managing Director of the Company for a period of 5 years w.e.f. January 5, 2020. The terms and conditions of appointment and remuneration of Mr. Aditya Kaushik (DIN: 06790052) as Chairman and Managing Director of the Company was also approved by the Members of the Company in their Extra-ordinary General Meeting held on January 5, 2018.

Mr. Aditya Kaushik (DIN: 06790052) was appointed under Schedule V of Companies Act, 2013, therefore approval of Shareholders was sought for remuneration of director for 3 years upto January 4, 2021. On the recommendation of the Nomination and Remuneration Committee of the Company, the Board, in its meeting held on September 4, 2020 has considered approval of same limit of remuneration, i.e. upto Rs. 2.5 Lakh (Two Lakh Fifty Thousand only) per month to be paid to Mr. Aditya Kaushik (DIN: 06790052) for his remaining tenure as Chairman and Managing Director. The other terms and conditions of his appointment, as approved by the Shareholders shall remain unchanged.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the minimum Remuneration payable to Mr. Aditya Kaushik (DIN: 06790052), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. Aditya Kaushik (DIN: 06790052) is now being placed before the Members for their approval by way of Special Resolution.

The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;

General Information:

Nature of Industry: Our Company is engaged in manufacturing of LPG Gas Stove/cook tops, Electrical Chimney and Sheet Metal Components.

Date or expected date of commencement of commercial production:-FY 2015-16

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

Financial performance based on given indicators:

(Rs. In Lakh)

PARTICULARS	Amount	
	YEAR ENDED	YEAR ENDED
	31.03.2020	31.03.2019
I. Net Sales/Income from Operations	153856127	551104756
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V. Finance Cost	6353555	2672904
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VII. Profit Before Tax (IV-V-VI)	-57549419	28491541
VIII. Tax Expense:		
i Current Tax Expense		5942000
ii Differred	14993336	1434942
iii MAT	0	-271089
iv Short and excess provision of tax relating to earlier year	8394	768892
IX. Profit After Tax (VII-VIII)	-42564477	20616795

Foreign investments or collaborations, if any: No collaborations has been made by the Company with any of foreign entity.

Information about the Whole-Time Director:

Background Details: He was a partner in the firm M/s Techno Engineering Corpn. since 2015. He has 15 years of work experience in industry of Domestic Appliances and in Manufacturing of powder coating, different types of LPG GAS Stove, its parts and Sheet Metal Products. He is actively engaged in managing the company since his appointment as Director and is responsible for the expansion and overall management of the business of our Company.

Past Remuneration: N.A.

Recognition of Award: None

Job Profile and his suitability: His Capabilities as an accountable and entrepreneur enable him to diversify Company's presence into different nations and thereby different horizons.

Remuneration Proposed: up to ₹2.5 Lakh per month.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Aditya Kaushik, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. Nil

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the ratification of remuneration specified above for the remaining tenure as Chairman and Managing Director to Mr. Aditya Kaushik is now being placed before the Members for their approval.

The Board of Directors recommends the Special Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Aditya Kaushik himself and his relatives to the extent of their shareholding in the Company if any, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

Registered office:

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

Date: September 4, 2020

Place: Baddi

For and on behalf of Board of Directors

Inflamm Appliances Limited

CIN: U74999HP2017PLC006778

Sd/-

Aditya Kaushik

Chairman and Managing

Director

DIN 06790052