

# 2ND ANNUAL REPORT



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2018-19

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## OUR PRODUCTS

### LPG GAS STOVES

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

LPG Gas Stove with toughened Glass ( Optional Auto ignition )



### ELECTRICAL CHIMNEYS

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

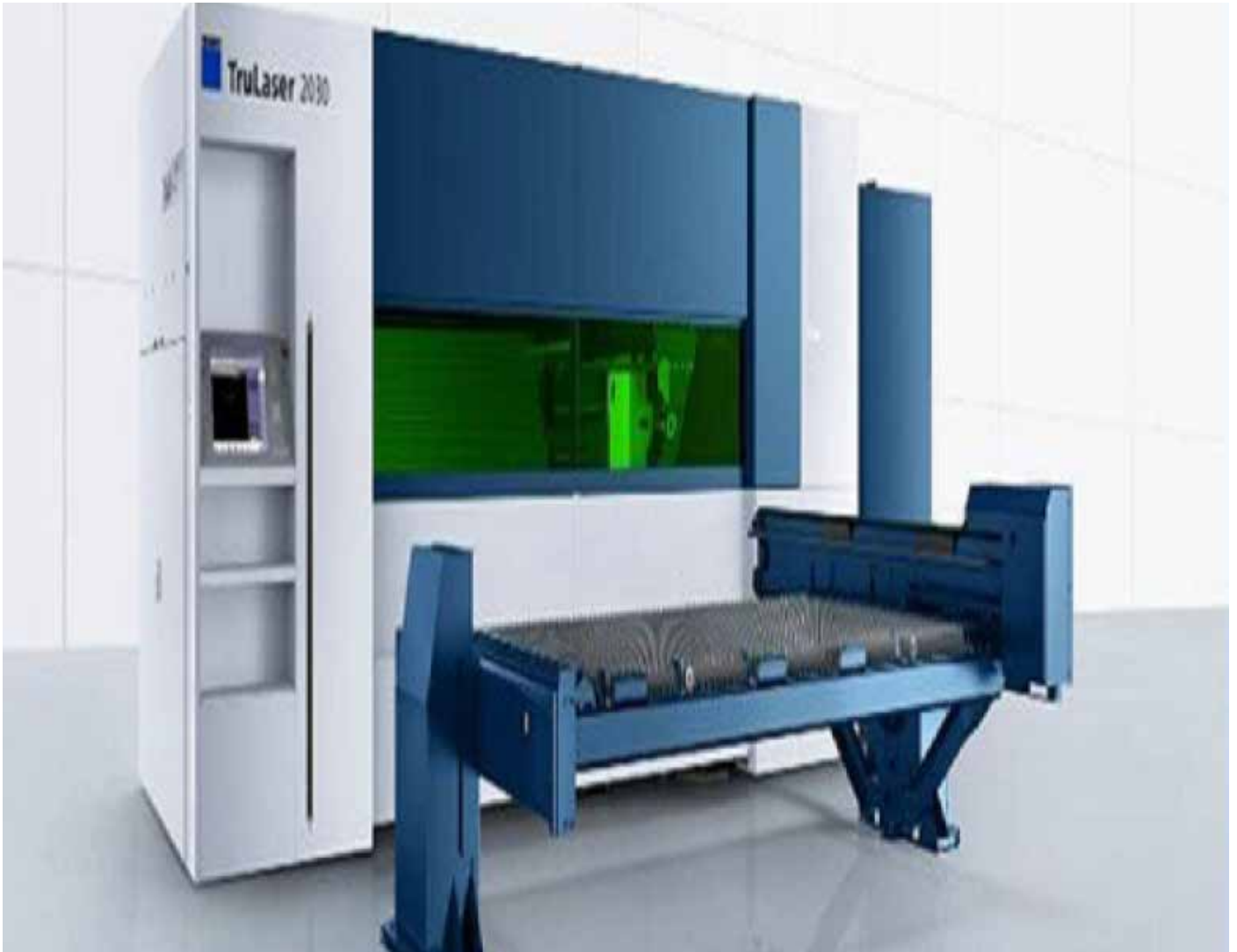
Glass Hobs - capacity upto 10000 units a month, presently these products are being imported from china.

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

No major manufacturer is manufacturing these products in india.



## Laser Cutting Machine ( Fabrication )



### OUR NEW FACILITY

Total Land 12200 Square Meter

A total of 45000 Square Feet of working shed will be constructed for carrying out existing and additional activities Located in Barwala, Panchkula, India

Located on Six = Lane newly constructed highway connecting panchkula to yamunanagar



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

Chairman and Managing Director

**Mr. Dinesh Kaushik**

Whole Time Director

**Mrs. Anita Kaushik**

Whole Time Director

**Mr. Akshay Kumar Vats**

Non-Executive Independent Director

**Mrs. Smita Bhandari**

Non-Executive Independent Director

**Mr. Udit Chandiok**

Non-Executive Independent Director

**CEO & CFO****Mr. Amit Kaushik****Company Secretary & Compliance Officer****Ms. Harpreet Parashar****Registered Office & Manufacturing Unit-I**

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

E-mail: [info@inflameindia.com](mailto:info@inflameindia.com)

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

CIN: U74999HP2017PLC006778

**Corporate Office & Manufacturing Unit-II**

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

**Secretarial Auditor****Mr. Amit Kumar**

Practicing Company Secretaries

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

Tel No. : +91-8826810670

E-mail : [cs.amit.arya@gmail.com](mailto:cs.amit.arya@gmail.com)

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

Chartered Accountants

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

Tel. No: 011-27303078

Email: [gandhica@gmail.com](mailto:gandhica@gmail.com)

Contact Person: CA Gaurav Gandhi

**Depositories****National Securities Depository Limited**

Central Depository Services (India) Limited

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

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

**Registrar and Share Transfer Agent (R&TA)****Skyline Financial Services Private Limited**

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

Tel No.: +91 11 64732681-88

Fax No.: +91 11 26292682

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

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

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

Contact Person: Mr. Virender Rana

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

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

Tel No.: +91-1795-246820,

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

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

**Bankers**

Canara Bank

Indian Bank



## LETTER TO THE SHAREHOLDERS

Dear Shareholders,

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Dear Shareholders,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Thank you.

Yours sincerely

Aditya Kaushik  
Chairman & Managing Director  
June 03, 2019

**KEY FINANCIAL HIGHLIGHTS:-**

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

**Financial Performance Highlights:-**

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

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

## BUSINESS OVERVIEW

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

### Vision

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

### Mission

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

Development in Indian Kitchen Appliances Industry

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

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

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

## Product Overview

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

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

### Our product range includes

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



**BUSINESS & CUSTOMER UPDATES:-**

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



**NOTICE OF ANNUAL GENERAL MEETING**

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

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

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

**ITEM NO. 2 – APPOINTMENT OF DIRECTOR**

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

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

**ITEM NO. 3 – DECLARATION OF DIVIDEND**

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

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

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

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

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

For and on behalf of the Board of  
Inflame Appliances Limited

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