

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: