



Inspiring
Better Living



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Investor information

| | |
|--|---|
| Market Capitalisation as at 31st March, 2021 | ₹96 Crores |
| BSE Code | 541083 |
| CIN | L74999HP2017PLC006778 |
| Bloomberg Code | INFLAME:IN |
| AGM Date | September 28, 2021 12:30 IST |
| AGM Mode | Video Conferencing (VC) / Other Audio Visual Means (OAVM) |



An electronic version of this Report is available online at:

<https://inflammindia.com/annual-reports-2/>

Scan this QR code to navigate investor related information

Disclaimer

This document contains statements about expected future events and financials of Inflamm Appliances Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.





INSPIRING BETTER LIVING

The kitchen is the heart of every home. For all gastronomical delights, we look up to the kitchen. Inflammation believes if the kitchen is smart, living becomes better. As one of the leading kitchen appliances manufacturers, Inflammation has been constantly innovating to inspire healthy and safe cooking, which can transpire into better living.

By blending safety in modern kitchen appliances, we have been able to deliver to the changing needs and lifestyles of our customers, in a way, changing their lives with healthy and safe cooking.

ABOUT US

Inflame Appliances Limited (henceforth 'Inflame' or 'the Company or 'we') was incorporated in the year 2017 by conversion of partnership firm 'M/s. Techno Engineering Corporation' into the Company as 'Inflame Appliances Limited' under the provision of the Companies Act.

Inflame is an IS 4246:2002 certified Himachal Pradesh-based company engaged in manufacturing of LPG gas stove/cooktops in various ranges such as gas stove in sheet metal, gas stove with toughed glass (optional auto ignition) with the range of 2/3/4 burners and sheet metal components for captive consumption. We also manufacture the glass top LPG stove in 2/3/4 burners in premium ranges for brands such as Hindware and Avaante.

Inflame's focus has always been in developing innovative product range under the brand Inflame, entering into arrangements with distributors, and tie-up with suppliers. The Company also markets and sells its products under its own brand, Inflame, in the domestic and overseas markets. We plan to leverage our networks in manufacturing of Range Hoods (chimneys) within the country, which will cater to the requirements of other big brands, who import all the Range Hoods from the overseas market. We have started manufacturing electrical chimneys, glass cooktops, glass hobs and cooking ranges to increase our presence in the cooking appliances market of the country.





The present facilities at Inflamm, include a metal pressing unit comprising mechanical and hydraulic presses, tool room, assembly lines and a powder coating & vitreous enameling plant. Currently, Inflamm is producing metal cooktops, glass cooktops, built-in hobs and chimneys as per the numbers mentioned below:

- Metal Cooktops: 70,000 per month (Installed capacity: 100,000)
- Glass Cooktops: 8,000 per month (Installed capacity: 12,000)
- Built-in Hobs: 2,000 per month (Installed capacity: 4,000)
- Cooker Hoods (Chimneys): 1,000 per month (Installed capacity: 1,500)

We are already under the process to scale-up our current production capacities to offer specially designed premium quality products at the most affordable prices. We have set up a new state-of-the-art unit with fully automatic machineries such as CNC laser cutting machines (Germany), CNC bending machines (Germany), CNC turret punch machines. It will help us achieve our goal of producing zero-defect products and also enhance our manufacturing capacity to significant levels. Also, a modern glass toughening plant is being added to cater to the requirements of toughened glass for use in glass cooktops and cooker hoods.



5,00,000

Satisfied Customers

18

States Served in India

24 Hours

Customer Support

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Aditya Kaushik
Chairman and Managing Director

Mr. Naveen Kumar
Whole-Time Director

Mr. Ashwani Kumar Goel
Whole-Time Director

Mr. Akshay Kumar Vats
Non-Executive Independent Director

Ms. Smita Bhandari
Non-Executive Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Amit Kaushik
Chief Financial Officer and Chief Executive Officer

Ms. Zalak Nitin Kumar Shah
(Appointed w.e.f. July 29, 2020)
Company Secretary & Compliance Officer

AUDIT COMMITTEE

Mr. Akshay Kumar Vats
Chairperson

Mr. Aditya Kaushik
Member

Ms. Smita Bhandari
Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Ms. Smita Bhandari
Chairperson

Mr. Aditya Kaushik
Member

Mr. Akshay Kumar Vats
Member

NOMINATION & REMUNERATION COMMITTEE

Ms. Smita Bhandari
Member

Mr. Akshay Kumar Vats
Chairman

Mr. Aditya Kaushik
Member

STATUTORY AUDITORS

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

SECRETARIAL AUDITOR

M/s. SCS AND CO LLP

Practicing Company Secretary

Registered Office: 415, Pushpam Complex, Near Bank of
Baroda, Opp. Sima Hall, Satellite Ahmedabad – 380015

T: 079-40051702

Email Id: scsandcollp@gmail.com

Website: www.scsandcollp.com

REGISTERED 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

CORPORATE OFFICE

Khasra

No. 40/14-15-16-17/1, Baghwali, NH-73, Distt,

Panchkula (H.R.)-134205

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd,

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

Tel. No.: 011-64732681-88

Email: viren@skylinerta.com

Website: www.skylinerta.com

BANKERS TO THE COMPANY

Canara Bank

HDFC Bank Limited

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 31st March, 2021.

FINANCIAL RESULTS:

The Company's financial performance for the year ended on 31st March, 2021 is summarised below:

Amount (in ₹)

| Particulars | Year Ended 31 st March, 2021 | Year Ended 31 st March, 2020 |
|---|--|--|
| I. Net Sales/Income from Operations | 19,86,85,841 | 15,38,56,127 |
| II. Other Income | 24,52,692 | 89,30,439 |
| III. Total Revenue (I+II) | 20,11,38,533 | 16,27,86,566 |
| IV. Earnings Before Interest, Taxes, Depreciation and Amortisation Expense | (1,83,57,536) | (3,14,37,678) |
| V. Finance Cost | 90,25,696 | 63,53,555 |
| VI. Depreciation and Amortisation Expense | 1,78,34,841 | 1,97,58,186 |
| VII. Profit Before Tax (IV-V-VI) | (4,52,18,073) | (5,75,49,419) |
| VIII. Tax Expense: | | |
| i Current Tax Expense | - | - |
| ii Defferred Tax Expenses | 1,16,06,638 | 1,49,93,336 |
| iii MAT | - | - |
| iv Short and excess provision of tax relating to earlier year | - | 8,394 |
| IX. Profit After Tax (VII-VIII) | (3,36,11,435) | (4,25,64,477) |

COMPANY'S PERFORMANCE:

STANDALONE FINANCIAL RESULTS:

The Total Income from Operations (net) of the Company for the year under review is ₹ 19,86,85,841 as compared to ₹ 15,38,56,127 in the previous year. Loss for the year stood at ₹ (3,36,11,435) as compared to loss of ₹ (4,25,64,477) incurred in the previous year. Loss in FY 2020-21 was due to increase in finance cost, material cost etc.

DIVIDEND:

For the FY 2020-21, due to losses, the Board of Directors regret recommending dividend to shareholders.

TRANSFER TO RESERVES:

Due to Losses in the FY 2020-21, Company has not transferred any amount in Reserve and Surplus. Moreover, reserves and surplus reduced to the extent of ₹ 3,36,11,435.

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:

- Authorised Capital:**
 ₹ 6,00,00,000- (Rupees Six Cr. Only) divided into 60,00,000 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 Cr. Only) divided into 60,00,000 Equity Shares of ₹ 10/- each.

DIRECTORS' REPORT (Contd.)

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 Equity Shares held as on 31 st March, 2021 |
|------------------------|------------------------------------|---------------------------------|---|---------------------------------|-------------------------------|-------------------------------|--|
| | | | | | in which Director is Member | in which Director is Chairman | |
| Mr. Aditya Kaushik | Chairman and Managing Director | 14 th November, 2017 | 5 th January, 2018 | 1 | 2 | 0 | 30,13,400 |
| Mr. Ashwani Kumar Goel | Whole Time Director | 12 th December, 2019 | 29 th September, 2020 | 1 | 0 | 0 | Nil |
| Mr. Naveen Kumar | Whole Time Director | 14 th March, 2020 | 29 th September, 2020 | 1 | 0 | 0 | Nil |
| Mr. Akshay Kumar Vats | Non Executive Independent Director | 5 th January, 2018 | 5 th January, 2018 | 1 | 2 | 1 | Nil |
| Ms. Smita Bhandari | Non Executive Independent Director | 28 th August, 2018 | 28 th September, 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.

During the year under review, Board of Directors of the Company met 5 times on 21st July, 2020, 29th July, 2020, 4th September, 2020, 12th November, 2020, 2nd March, 2021 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:

DIRECTORS' REPORT (Contd.)

| Name of Director | Mr. Aditya Kaushik | Mr. Akshay Kumar Vats | Ms. Smita Bhandari | Mr. Ashwani Kumar Goel | Mr. Naveen Kumar |
|--|--------------------|-----------------------|--------------------|------------------------|------------------|
| Number of Board Meeting held | 5 | 5 | 5 | 5 | 5 |
| Number of Board Meetings Eligible to attend | 5 | 5 | 5 | 5 | 5 |
| Number of Board Meeting attended | 5 | 5 | 5 | 5 | 5 |
| Presence at the previous AGM of F.Y. 2019-20 | Yes | Yes | No | Yes | Yes |

GENERAL MEETINGS:

During the year under review, only 1 shareholder meeting held as Annual General Meeting on 29th September, 2020.

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 the review at the previous annual general meeting approval of members received w.r.t;

- Regularisation cum appointment of Mr. Ashwani Kumar Goel (DIN :08621161) as Whole-time Director w.e.f 29th September, 2020.
- Regularisation cum appointment of Mr. Naveen Kumar as Whole Time Director of the Company w.e.f 29th September, 2020.

DETAILS OF KEY MANAGERIAL PERSONNEL:

In terms of Section 203 of the Companies Act, 2013, at the beginning of the FY 2020-21, the Company had Mr. Aditya Kaushik as Chairman and Managing Director, Mr. Ashwani Kumar Goel and Mr. Naveen Kumar as Whole Time Director, Mr. Amit Kaushik as CEO and CFO and Mr. Ravinderkumar Singal as Company Secretary and Compliance Officer of the Company as Key Managerial Personnel.

During the FY 2020-21, Mr. Ravinderkumar Singal resigned from the post of Company Secretary w.e.f. 29th July, 2020 and appoint Ms. Zalak Shah as Company Secretary and Compliance Officer of the Company w.e.f 29th July, 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 05th January, 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 2nd March, 2021.

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.

DIRECTORS' REPORT (Contd.)

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 31st March, 2021 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 31st March, 2021 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 30th October, 2019 had reconstituted 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.inflammindia.com.

During the year under review, the Audit Committee met 4 (Four) times during the FY 2020-21, on 21st July, 2020, 10th November, 2020, 12th November, 2020 and 2nd March, 2021.

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 FY 2020-21 | | |
|-----------------------|------------------------------------|-------------|--|--------------------|----------|
| | | | Held | Eligible to attend | Attended |
| Mr. Akshay Kumar Vats | Non-Executive Independent Director | Chairperson | 4 | 4 | 4 |
| Mr. Aditya Kaushik | Chairman and Managing Director | Member | 4 | 4 | 4 |
| Ms. Smita Bhandari | Non-Executive Independent Director | Member | 4 | 4 | 4 |

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.