

inflame

Inspired Cooking



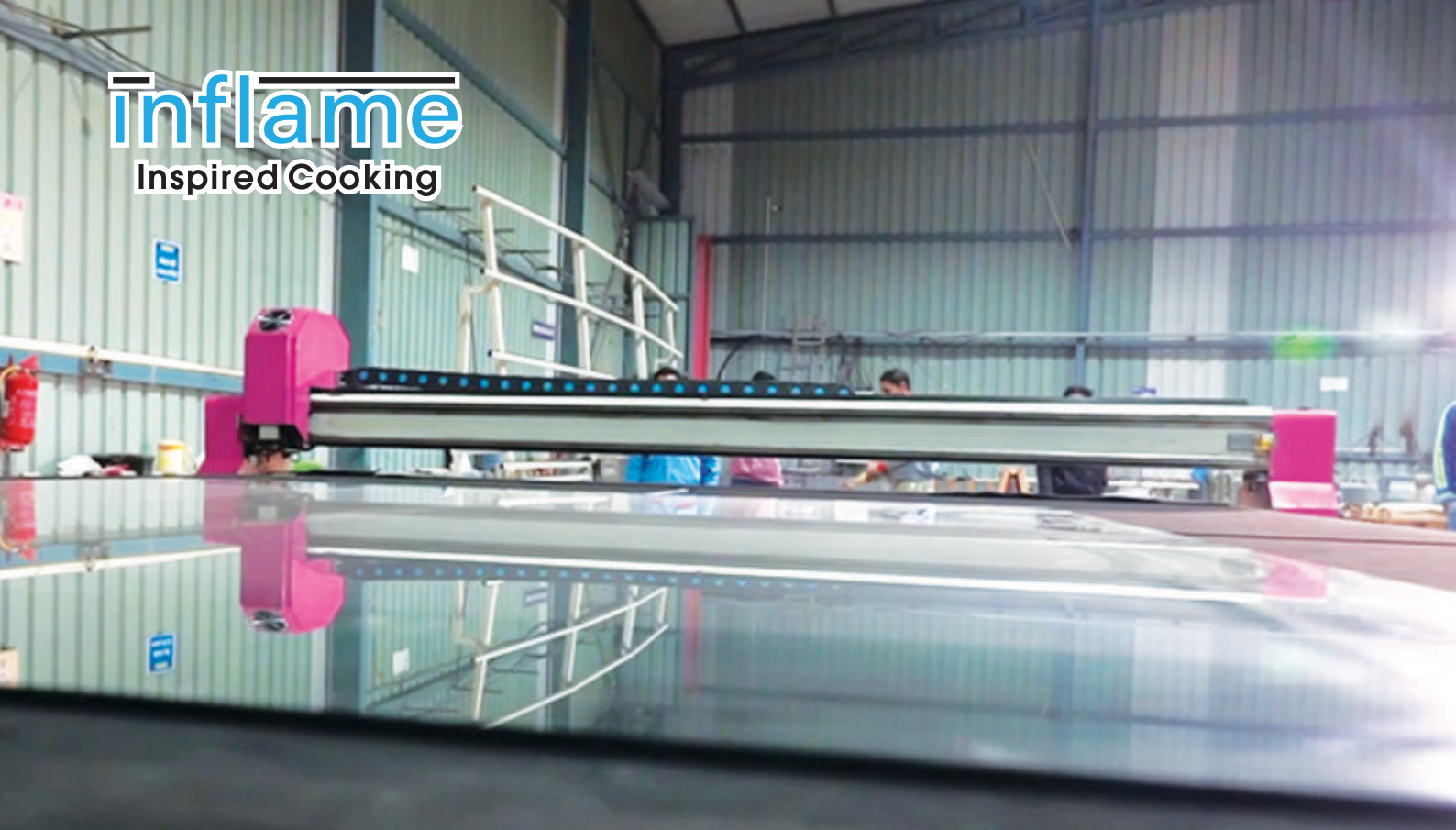
Inflame Appliances Limited

CIN: L74999HP2017PLC006778

ANNUAL REPORT
2021-22

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INSPIRING BETTER LIVING

The kitchen is the heart of every home. For all gastronomical delights, we look up to the kitchen. Inflame believes if the kitchen is smart, living becomes better. As one of the leading kitchen appliances manufactures, Inflame 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

Inflamm is a Public Limited Company engaged in manufacturing of various Kitchen Appliances such as Kitchen Hoods, Gas Hobs & LPG Stoves. The factory at the present location was started in 2018 and the facility to manufacture Kitchen Hoods was installed in 2019. Ever since, we have developed in excess of 30 models for Kitchen Hoods and in terms of production, we are already among 3 top manufacturers in India. The company is providing Kitchen Hoods to Indian marketer companies in their own brands & is in direct competition with Chinese suppliers.

The market for Kitchen Hoods is almost 2 million a year and is growing at about 15 % year on year. The present penetration for this product is very less & thus scope for growth is tremendous. With this idea and also to mitigate logistics cost, company has decided to start its second plant at Hyderabad and plan to produce almost 20-25k chimneys per month at both locations. The production at new plant is expected by Jan 2023.

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.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	DIN	Designation
Mr. Aditya Kaushik	06790052	Chairman and Managing Director
Mr. Naveen Kumar	08743772	Whole Time Director
Mr. Ashwani Kumar Goel	08621161	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	FCCPS8681C	Company Secretary & Compliance Officer

AUDIT COMMITTEE

Name	DIN	Designation
Mr. Akshay Kumar Vats	08020018	Chairperson
Mr. Aditya Kaushik	06790052	Member
Ms. Smita Bhandari	08205214	Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Name	DIN	Designation
Ms. Smita Bhandari	08205214	Chairperson
Mr. Aditya Kaushik	06790052	Member
Mr. Akshay Kumar Vats	08020018	Member

NOMINATION & REMUNERATION COMMITTEE

Name	DIN	Designation
Mr. Akshay Kumar Vats	08020018	Chairperson
Ms. Smita Bhandari	08205214	Member
Mr. Aditya Kaushik	06790052	Member

STATUTORY AUDITORS

M/s Gandhi Minocha & Co.
Chartered Accountants
Address: 1A, Tribune Colony, Jagadhari Road,
Ambala Cantt., Haryana 133001, India.
Tel. No.: 011-27303070
Email: gandhica@yahoo.com
Contact Person: CA Bhupinder Singh &
CA Gaurav Chibberr

SECRETARIAL AUDITOR

SCS AND CO LLP
Practicing Company Secretary
Registered Office: 415 - 416, Pushpam Complex,
Near Bank of Baroda, Opp. Sima Hall,
Satellite Ahmedabad – 380015
T: 8128156833
Email Id: scsandcollp@gmail.com
Website: www.scsandcollp.com

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153A, 1st Floor, Okhla Industrial Area Phase-I,
New Delhi, Delhi, 110020.
Tel. Number: 011-26812682-83
Email Id: info@skylinerta.com
Website: www.skylinerta.com

BANKERS TO THE COMPANY

HDFC Bank
Branch:- Shahzadpur,
Ambala.

REGISTERED OFFICE

Khewat Khatoni No. 45/45, Khasra No. 942/855/1,
Village Kalyanpur, Tehsil-Baddi, Solan-173205,
Himachal Pradesh.
Telephone No.: +91-7496979231
Email: cs@inflammindia.com
Website: www.inflammindia.com

CORPORATE OFFICE

Khasra No. 40/14-15-16-17/1, Bagwali, NH-73,
Distt, Panchkula -134202, Haryana.
Telephone No.: +91-7496979231

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby presents 5th Annual Report of your Company ("the Company"), including the Standalone Audited Financial Statements, for the Financial Year ended on March 31, 2022.

FINANCIAL RESULTS:

The Company's financial performance for the year ended on March 31, 2022 is summarized below:

PARTICULARS	AMOUNT (₹ IN LAKHS)	
	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
I. Net Sales/Income from Operations	3961.71	1986.86
II. Other Income	10.48	24.53
III. Total Revenue (I+II)	3972.18	2011.39
IV. Earnings Before Interest, Taxes, Depreciation and Amortization Expense	150.25	(167.69)
V. Finance Cost	172.20	106.14
VI. Depreciation and Amortization Expense	180.66	178.35
VII. Profit Before Tax (IV-V-VI)	(202.61)	(452.18)
VIII. Extraordinary items	17.85	-
IX. Tax Expense:		
i Current Tax Expense	-	-
ii Deferred Tax Expenses	(55.75)	(116.07)
iii MAT	-	-
iv Short and excess provision of tax relating to earlier year	-	-
X. Profit After Tax (VII-VIII)	(164.71)	(336.11)

COMPANY'S PERFORMANCE:

STANDALONE FINANCIAL RESULTS:

The Total Income from Operations (net) of the Company for the year under review is Rs. 39,61,70,522 as compared to Rs. 19,86,85,841 in the previous year. Loss for the year stood at Rs. (1,64,70,551) as compared to loss of Rs. (3,36,11,435) incurred in the previous year. Loss in FY 2021-22 was due to increase in finance cost, material cost etc.

DIVIDEND:

For the Financial Year 2021-22, due to losses, the Board of Directors regret recommending dividend to shareholders.

TRANSFER TO RESERVES:

Due to Losses in the FY 2021-22, Company has not transferred any amount in Reserve and Surplus. Moreover, reserves and surplus reduced to the extent of Rs. 1,64,70,551.

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.

However, the Board of Directors of the Company approved the Corporate Office of the Company situated at Khasra No. 40/14-15-16-17/1, Bagwali, NH-73, Distt, Panchkula -134202, Haryana as the place other than Registered Office where Books of Accounts of the Company be kept.

SHARE CAPITAL:

During the year under review the Authorised Share Capital of the Company was increased from Rs. 6,00,00,000/- (Rupees Six Crores Only) to Rs. 7,00,00,000/- (Rupees Seven Crores Only) by the Members of the Company in their Extra Ordinary General Meeting held on June 20, 2021.

Further, in the said meeting the Members passed the resolution to create, issue, offer and allot upto 3,00,000 Equity Shares at an Issue price of Rs. 180/- per Equity Share (including a share premium of Rs. 170 per Equity Share) aggregating to Rs. 5,40,00,000/- on Preferential Basis to Non Promoter/Public and upto 3,80,000 Equity Warrant convertible into Equity Shares at an issue price of Rs. 180 each (including a share premium of Rs. 170 per warrant). Each warrant convertible into one Equity Share of the Company on preferential basis to non-promoters/public category shareholders of the company.

The Above mentioned Equity Shares & Warrants were issued & allotted by the Company on July 15, 2021.

Upon receipt of 25% of issue price from the Proposed allottees, 3,80,000 Warrants were also allotted by the Company in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 on July 15, 2021. Out of these warrants, 3,50,000 warrants got converted into 3,50,000 Equity Shares of face value of Rs. 10 each on March 02, 2022 upon receipt of written Notice & balance 75% of issue price from one of the warrant holder.

Consequently, the issued, subscribed and paid-up equity share capital of the Company stands increased to Rs. 6,65,00,000/- (Rupees Six Crores Sixty Five lakhs Only) divided into 66,50,000 (Sixty six Lakhs Fifty thousand only) Equity shares allotted on the preferential allotment basis shall rank pari passu with the existing equity shares of the Company in all respects.

The capital of the Company after these changes stood as follows as on March 31, 2022:

• **AUTHORIZED CAPITAL:**

Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lakhs Only) Equity Shares of Rs. 10/- each.

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

The paid-up, issued and subscribed capital of the Company is Rs. 6,65,00,000/- (Rupees Six Crores Sixty Five lakhs Only) divided into 66,50,000 (Sixty six Lakhs Fifty thousand only) Equity Shares of Rs. 10/- each.

After Closure of the year:-

- Authorised Capital of the Company increased from Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lakhs Only) Equity Shares of Rs. 10/- each to Rs.10,50,00,000/- (Rupees Ten Crores Fifty Lakhs Only) divided into 1,05,00,000 (One Crores Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each via postal ballot passed by the shareholders of the Company on June 29, 2022;
- the company has issued 6,66,000 Equity shares on Preferential Basis to Non Promoter/Public shareholder authenticated via postal ballot passed by the shareholders of the Company on June 29, 2022;
- The Company applied for In Principle approval to Stock Exchange on May 27, 2022 and BSE Limited granted its In-Principle Approval vide Letter No. LOD/PREF/KK/FIP/2358/2022-23 dated June 23, 2022.
- Preferential Issue Offer was opened for 5 days, i.e. from July 01, 2022 to July 05, 2022 and then was extended for 2 days, i.e. upto July 07, 2022.
- On receipt of funds from Proposed Allottees upto July 7, 2022, 6,61,000 Equity Shares were allotted in Board Meeting held on July 9, 2022 to Non Promoter/Public Category subscribers.
- Company applied for Listing Approval for 6,61,000 Equity Shares allotted on Preferential Issue Basis on July 09, 2022 and received Listing Approval from BSE Limited on July 19, 2022.
- Company applied for Trading Approval for 6,61,000 Equity Shares allotted on Preferential Issue Basis on July 22, 2022 and received Trading Approval from BSE Limited on July 26, 2022 to trade into Securities Market w.e.f. July 27, 2022.

UTILISATION OF FUNDS:

The Company raised funds of Rs. 5,40,00,000/- (Rupees Five Crore Forty Lakhs Only) through Preferential Issue of shares & Rs. 6,43,50,000/- (Rupees Six Crore Forty three Lakh Fifty thousand Only) through preferential issue of Warrants. The gross proceeds of the issue has been utilized in the manner as proposed in the Offer Document, the details of which are hereunder:

Sr.No.	Original Object	Original Allocation	Funds Utilized
1.	To make payment of borrowings of the Company, meeting future funding requirements, working capital and other general corporate purposes of the Company	5,40,00,000	5,40,00,000
2.	To make payment of borrowings of the Company, meeting future funding requirements, working capital and other general corporate purposes of the Company	6,43,50,000	6,43,50,000

Further, there is no deviation/variation in the utilization of the gross proceeds raised through Preferential issue.

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 Director- ship ²	No. of Committee ¹		No. of Equity Shares held as on March 31, 2022
					in which Director is Member	in which Director is Chairman	
Mr. Aditya Kaushik	Chairman and Managing Director	November 14, 2017	January 5, 2018	1	2	0	30,13,400
Mr. Ashwani Kumar Goel	Whole Time Director	December 12, 2019	September 29, 2020	1	0	0	3,50,000
Mr. Naveen Kumar	Whole Time Director	March 14, 2020	September 29, 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 Director of the Company is serving as a Whole-Time Director in any other Listed Company and the number of their directorship is within the limits laid down under section 165 of the Companies Act, 2013.

• 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 called & convened, as and when required, to discuss and decide on various business policies, strategies and other businesses.

During the year under review, Board of Directors of the Company met 14 times on May 26, 2021, June 28, 2021, July 15, 2021, July 26, 2021, July 27, 2021, August 16, 2021, November 11, 2021, December 09, 2021, December 11, 2021, January 25, 2022, March 02, 2022, March 15, 2022, March 17, 2022 and March 29, 2022. 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. Akshay Kumar Vats	Ms. Smita Bhandari	Mr. Ashwani Kumar Goel	Mr. Naveen Kumar
Number of Board Meeting held	14	14	14	14	14
Number of Board Meetings Eligible to attend	14	14	14	14	14
Number of Board Meeting attended	14	14	14	14	14
Presence at the previous AGM of F.Y. 2020-21	Yes	Yes	Yes	Yes	Yes

GENERAL MEETINGS:

During the year under review, two shareholder meeting were held. Annual General Meeting held on September 28, 2021 and Extra Ordinary General Meeting was held on June 20, 2021 through Video Conference (VC) or Other Audio Visual Means (OAVM).

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. In the opinion of the Board, all our Independent Directors possess requisite qualifications, experience, expertise including the Proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014.

INFORMATION ON DIRECTORATE AND KEY MANAGERIAL PERSONNEL (KMP):

During the period under review, there were no changes in Directors and Key Managerial Personnel of the Company.

In terms of Section 203 of the Companies Act, 2013, 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 Chief Executive Officer (CEO) and Chief Financial Officer (CFO) and Ms. Zalak Shah as Company Secretary and Compliance Officer of the Company as Key Managerial Personnel.

Further, 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. Ashwani Kumar Goel (DIN: 08621161) (Whole Time Director) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment.

DETAILS OF KEY MANAGERIAL PERSONNEL:

In terms of Section 203 of the Companies Act, 2013, during the FY 2021-22, 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 Ms. Zalak Shah as Company Secretary and Compliance Officer of the Company as Key Managerial Personnel.

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 of the Company at their separate meeting held on March 29, 2022.

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 and Independent Directors in their separate meeting has 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, Adherence to ethical standards & code of conduct of Company, Leadership initiatives 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, 2022 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 the 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, 2022 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 had constituted 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 4 (Four) times during the Financial Year 2021-22, on May 26, 2021, June 28, 2021, August 16, 2021 and November 11, 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 Financial Year 2021-22		
			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 required. 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 considered and 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