

Date: September 04, 2021

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

Respected Sir/Ma'am

Sub: Submission of Annual Report for Financial Year 2020-21

Ref.: Inflame Appliances Ltd (Security ID/Code: INFLAME/541083).

With reference to captioned subject and pursuant to Regulation 34 of SEBI (LODR) Regulation 2015 we hereby submit the stock exchange 4th Annual Report of the Company.

Kindly disseminate the same on your website and oblige us.

For, **Inflame Appliances Limited**

For Inflame Appliances Limited

Kaushik
Director

ADITYA KAUSHIK
Chairman & Managing Director
DIN: 06790052

Place: Panchkula

Encl: 4th Annual Report 2020-21

Inflame Appliances Limited

(Formerly TECHNO ENGINEERING CORPORATION)

ADD.: KHASRA NO. 40/14-15-16-17/1 VILL. BAGWALI, NH -73, Distt. PANCHKULA (H.R.) 134202
Regd. Office:- Khasra No. # 855/1, Vill. Kalyanpur, Chakkan Road, Teh. Baddi, Distt. Solan (H.P.) 173205
W: inflameindia.com | **M:** 7832901824 | **CIN:** L74999HP2017PLC006778



Inspiring
Better Living



WHAT'S INSIDE

Corporate Overview 01 - 04

Inspiring Better Living	01
About Us	02
Corporate Information	04

Statutory Reports 05 - 26

Director's Report	05
Annexure A	13
Annexure B	17
Annexure C	18
Annexure D	19
Secretarial Audit Report	23

Financial Statements 27 - 55

Independent Auditor's Report	27
Annexure A	30
Annexure B	32
Statement of Assets and Liabilities	34
Statement of Profit and Loss	35
Cash Flow Statement	36
Notes	38

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.

DIRECTORS' REPORT (Contd.)

Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimisation 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 30th October, 2019 has reconstituted 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 3 (three) times viz on 21st July, 2020, 12th November, 2020, and March 02, 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 2020-21		
			Held	Eligible to attend	Attended
Ms. Smita Bhandari	Non-Executive Director	Chairperson	3	3	3
Mr. Aditya Kaushik	Non-Executive Independent Director	Member	3	3	3
Mr. Akshay Kumar Vats	Non-Executive Independent Director	Member	3	3	3

There was no complaint unresolved as on 31st March, 2021.

NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors in their meeting held on 30th October, 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 2 (Two) times viz on 29th July, 2020, and 4th September, 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 2020-21		
			Held	Eligible to attend	Attended
Mr. Akshay Kumar Vats	Non-Executive Independent Director	Chairperson	2	2	2
Ms. Smita Bhandari	Non-Executive Independent Director	Member	2	2	2
Mr. Aditya Kaushik	Chairman and Managing Director	Member	2	2	2

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.

DIRECTORS' REPORT (Contd.)

REMUNERATION OF DIRECTORS:

The details of remuneration paid during the FY 2020-21 to Directors of the Company is provided in Form MGT-7 available on website of the Company at <https://inflameindia.com/annual-reports-2/> The aggregate amount paid towards Directors remuneration during the FY 2020-21 is ₹ 27,00,000/-

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.

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:

All the Related Party Transactions entered into during the financial year were on an Arm's Length basis and in the Ordinary Course of Business. There are no materially significant Related Party Transactions, i.e exceeding 10% of the annual consolidated turnover as per the last audited financial statement made by the Company with Promoters, Directors, Key Managerial Personnel (KMP) and other related parties which may have a potential conflict with the interest of the Company at large, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable..

Further, prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were placed before the Audit Committee and the Board of Directors for their approval on quarterly basis.

The details of the related party transactions for the FY 2020-21 is given in notes of the financial statements which is part of Annual Report.

The Policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company at www.inflameindia.com

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.

ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company on the following link: <https://inflameindia.com/annual-reports-2/>

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 – B.

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. 31st March, 2021 to the date of this Report except as bellows:

On 15th July, 2021, Considered and Allotted 3,00,000 Equity Shares of face value of ₹ 10/- each, for cash, at a price of ₹ 180/- per Equity Share (including a share premium of ₹ 170 per Equity Share) aggregating to ₹ 5,40,00,000/- on preferential basis to Non-Promoters/Public;

Consequently, the issued, subscribed and paid-up equity share capital of the Company stands increased to ₹ 6,30,00,000/- (divided into 63,00,000 equity shares of face value of ₹ 10/- each) from ₹ 6,00,00,000/- divided into 60,00,000 equity shares of face value of ₹ 10/- each). Equity shares allotted on the preferential allotment basis shall rank pari passu with the existing equity shares of the Company in all respects

Moreover, on 15th July, 2021, company also Allotted 380000 Warrants convertible into equal number of Equity Shares of ₹ 10/- each of the Company at an issue price of ₹ 180/- per warrant (including premium of ₹ 170/- per warrant) on preferential basis to Non Promoter/Public upon receipt of 25% of issue price from the allottees in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

DIRECTORS' REPORT (Contd.)

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 - C.

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 unauthorised 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 - D.

DIRECTORS' REPORT (Contd.)

SECRETARIAL AUDITOR AND THEIR REPORT:

The Company has appointed M/s SCS AND CO LLP, to conduct the secretarial audit of the Company for the Financial Year 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the Financial Year 2020-21 is annexed to this report as an Annexure – E.

There have been few common annotations reported by the above Secretarial Auditors in their Report with respect to

- 1) Trading Window remained opened April 1, 2020 for the purpose of Audited Financial Results of the company for the year ended 31st March, 2020 till 48 hours after disclosure of Financial Results for period ending on 31st March, 2020.
- 2) Non Submission of Continual/Annual Disclosure under Regulation 30(1)/30(2) of SEBI Substantial Acquisition of Shares and Takeovers Regulations, 2011 for the Financial year ended March 31, 2020;
- 3) Non Submission of FLA Return w.r.t FDI/FPI for the FY 2019-20.

The Board of Directors states that

- 1) During the April 1, 2020 till the adoption of financial statements, none of the person forming part of the insider has traded during the said period.
- 2) Company is not required to disclosed Continual/Annual Disclosure under Regulation 30(1)/30(2), its obligation of the promoter and Director, therefore fine will not be levied on the Company.
- 3) Company will take due care for not repeating and ensuring the compliance in due time.

WEBSITE:

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the Company has maintained a functional website namely "www.inflammindia.com" containing basic information about the Company.

Registered office:

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

Date : 16th August, 2021

Place: Panchkula

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.

For and on behalf of Board of Directors

Inflamm Appliances Limited

CIN: U74999HP2017PLC006778

Aditya Kaushik

Chairman and Managing

Director

DIN 06790052

ANNEXURE–A TO DIRECTORS’ REPORT

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. Wholtime 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.

ANNEXURE–A TO DIRECTORS' REPORT (Contd.)

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 Whole time 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.

ANNEXURE–A TO DIRECTORS' REPORT (Contd.)

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 ₹ One Lakhs 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,

ANNEXURE–A TO DIRECTORS' REPORT (Contd.)

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 TO DIRECTORS’ REPORT

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	13:1	No Change
2.	Ashwani Kumar Goel	Whole Time Director	Remuneration	13:1	No Change
3.	Naveen Kumar	Whole Time Director	Remuneration	3:1	Not Applicable ^
4.	Smita Bhandari	Non-Executive Independent Director	Sitting Fee	-	Not Applicable
5.	Akshay Kumar Vats	Non-Executive Independent Director	Sitting Fee	-	Not Applicable
6.	Amit Kaushik	CEO & CFO	Remuneration	13:1	No Change
7.	Zalak Shah	Company Secretary	Remuneration	2:1	No Change

*Median of only those employees are considered who were in employment for atleast 6 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.

^ Percentage increase not applicable as no remuneration was paid last year.

*** We have taken Median of all the Employees which were on roll for more than 6 months during the year.

- 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 16.82% over the previous financial year.

- c) **The number of permanent employees on the rolls of the Company:** 197 permanent Employees as on 31st March, 2021.

- 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 salary of employee was decrease by 26.55%. The average remuneration decrease due to increase in number of employee of the Company. Whereas the remuneration of the executive directors was not increased and it was within the limit as 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

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

Aditya Kaushik

Chairman and Managing
 Director
 DIN 06790052

Date : 16th August, 2021
 Place: Panchkula

ANNEXURE–C TO DIRECTORS’ REPORT

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. 2020-21	F.Y. 2019-20
1.	Foreign Exchange Earnings	83,39,248	1,08,52,440

ii.) Details of Foreign Exchange Expenditure:

		(In ₹)	
Sr. No.	Particulars	F.Y. 2020-21	F.Y. 2019-20
1.	Foreign Exchange Expenditure	2,25,96,682	1,45,40,953

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 : 16th August, 2021
Place: Panchkula

Aditya Kaushik
Chairman and Managing Director
DIN 06790052

ANNEXURE–D TO DIRECTORS’ REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SPECIAL NOTE ON THE CORONAVIRUS PANADEMIC

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. Your 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 April 2020. 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 ₹ 76,400 crore (US\$ 10.93 Billion) in 2019. Appliances and consumer electronics industry is expected to double to reach ₹ 1.48 Lakhs crore (US\$ 21.18 Billion) by 2025.

Electronics hardware production in the country increased from ₹ 1.90 trillion (US\$ 31.13 Billion) in FY14 to ₹ 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 ₹ 787 Billion (US\$ 11.26 Billion) in 2019 and is projected to reach ₹ 955 Billion (US\$ 13.66 Billion) by 2021. Shipment of TVs in India increased 15% 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 ₹ 5,976 Cr. (US\$ 0.86 Billion), ₹ 17,873 crore (US\$ 1.80 Billion) and ₹ 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% of the market share, while in air conditioners and fans, it is around 55-60%. On the other

hand, kitchen appliances segment is fragmented with top five players having a 30-35% 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% Foreign Direct Investment (FDI) in multi-brand and 100% 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% y-o-y to ₹ 6,495 crore (US\$ 921.4 Million) in FY20.

SUMMARY OF OUR BUSINESS

Your 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. Your 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 the 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 .

Your Company aims to evolve as a one stop manufacturer of quality kitchen and home appliances for leading OEM's: both national and multi-national. The current geopolitical scenario

ANNEXURE–D TO DIRECTORS' REPORT (Contd.)

has created strong tailwinds for import substitution of our product range, thus facilitating very strong engagement with a number of OEM's to serve the rapidly expanding needs in India. As of today, we are already a leading supplier of chimneys, gas stoves and hobs. There is no constraint of demand for your products. We are determined to rapidly ramp your output to meet the rising demand, and plan to initiate a significant capacity expansion in the coming months.

Our progressive management and cutting edge production technology contribute to our ability to provide our customers with exceptional value in a highly competitive industry. Our manufacturing facilities are optimally backward integrated, equipped with modern infrastructure and sophisticated machines backed by untiring efforts of a quality team.

Your company lays special emphasis on Research and Development, and is already working on a pipeline of appliances to be launched over the coming 36 months.

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. Coupled with the combined experience of the promoters and management, and industry tailwinds we have laid a foundation for sustained strong growth in the future.

Your Company is 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 is also manufacturing Chimneys for **Sunflame**. Your company has also been selected by a number of OEM's to be in their pool of suppliers for Chimney.

OUR COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strengths:

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 your 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.

Your company has put in significant efforts to indigenise imported components in order to ensure a lean and efficient supply chain exists. In the coming few months, we will eliminate all imports thus becoming a truly "atma-nirbhar" organisation.

Our manufacturing units are located in states we believe offers potential market for our products thus reducing the logistical costs associated with delivery.

Proven and experienced management team

Our senior management team has extensive experience in the commissioning of and operating manufacturing capacities, value engineering, vendor development, finance, sales, business development and strategic planning. We are adding quality personnel keeping in mind our needs as a rapidly growing unit.

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 Home and Kitchen Appliances Industry.

The demonstrated ability and expertise of our management team for committed asset investment and use of cutting-edge technology will result in growing capacities and rising production levels with better cost management. Our enhanced process efficiency and improved quality, will increasing profitability and improve margins over the coming years.

Research and Development

Right from the beginning, your Company has believed in Research and Development which has benefited your

ANNEXURE–D TO DIRECTORS' REPORT (Contd.)

company to lay a technical foundation and the capability that allows the Company to offer customised 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, Chimney and other Home and Kitchen appliances make us the most desirable manufacturer in the country.

Your company is committed to further accelerate Investments in Research and Development to rapidly expand our Product Portfolio over the coming 36 months.

OUR VISION

To build-up a Rapidly Scaling, Professional Organisation

We are happy to update that your company has finalised recruitment of capable, senior industry veterans who will bolster our manufacturing capability and help us achieve our desire to be the leading manufacturer of Kitchen and Home appliances.

Additionally, your company is working on a firm plan to expand our operations multi-fold over the coming years.

Quality Assurance

Your company will continue to maintain stringent quality of our existing and future product portfolio to cater to various customer and price segments in the Home and Kitchen Appliances Market. We endeavour to maintain the quality of our products, and follow strict procedures to ensure quality control, timely delivery and competitive prices.

Continuous Improvement

Your Company constantly endeavours to improve our manufacturing process to optimize the utilisation of resources. We have invested significant resources, and intend to further invest in our activities to develop customised systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of your 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.

Development of new Products

Your Company is continuously looking out for improvements in our regular products and developing new products for the domestic and 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 products in coming 3 years. These products will further enhance your Company's product portfolio to be offered to our customers.

OPPORTUNITIES

Kitchen and home appliances are amongst the fastest growing sectors in India.

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.

We believe that over the coming decade there will be sustained and strong growth in demand for kitchen and home appliances in India.

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 increased by 29.14% to ₹ 19,86,85,841 in FY 2020-21 against ₹ 15,38,56,127 in FY 2019-20.

OUTLOOK

We believe that your Company is set to capitalise on a number of opportunities, and we can visualise a strong, multi-year growth cycle. There is enormous untapped potential in our target geography and diversified product portfolio and we continue to take required steps to meaningfully capitalise these growth drivers.

Our vision is being directed towards building scale, increasing operational efficiency keeping stringent quality standards, and applying innovation to increase our basket of products.

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 the current financial year, your company earned ₹ 108.52 Lakhs from exports.

However, the major driver for growth going ahead will be achieved as the go to manufacturer for OEM's who need quality Home and Kitchen appliances for the Indian Market.

Your Company also continues to focus on improving business capabilities, Improve R&D capabilities, enhance our design capabilities, optimise our production and inventory management with a view of building a strong competitive moat.

ANNEXURE–D TO DIRECTORS' REPORT (Contd.)

THREATS, RISK AND CONCERNS

The industry is highly fragmented in the hands of several organised and unorganised 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.

Competitive intensity can increase, as insourcing of manufacturing for our target product portfolio accelerates.

Your 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 SYSTEMS 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.

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 realised. The actual results may differ 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.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

(In Rupees)		
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	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)

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Your Company values and regards its employees as its valuable assets.

Our employee's dedicated and competent efforts have been driving force spurring our growth and expansion.

The total number of employees on roll in the Company as on 31st March, 2021, including factory workmen, was ____.

Your Company will continue to expand employee base, create growth opportunities internally, and, ensure recruitment of diverse candidates without compromising on meritocracy.

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

For the financial year ended March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

INFLAME APPLIANCES LIMITED,

KhewatKhatoni No. 45/45, Khasra No. 942/855/1 Village
Kalyanpur Tehsil-BaddiBaddi Solan-173205

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Inflamm Appliances Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes 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, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, 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.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- ii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 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 and circulars/guidelines/amendments issued thereunder;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/guidelines/amendments issued thereunder;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and circulars/ guidelines/Amendments issued there under.
- vi. The Management has identified and confirmed the following laws as being specifically applicable to the Company:
 - Applicable BIS Standards for various categories of production process.
 - Environment (Protection) Act, 1986
 - Air (Prevention and Control of Pollution) Act, 1981
 - Water (Prevention and Control of Pollution) Act, 1974
 - Hazardous Wastes (Management and Handling) Rules, 1989
 - Labour Laws to the extent applicable
- vii. Revised Secretarial Standards issued by The Institute of Company Secretaries of India;

SECRETARIAL AUDIT REPORT (Contd.)

During the period under review the Company has complied with the provisions of the Act, Rules made there under, Regulations, guidelines etc. mentioned above to the following observations.

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks
1.	Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015 Intimation of Closure of Trading Window.	Trading Window remained opened	Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company does not close Trading window from April 1, 2020 for the purpose of Audited Financial Results of the company for the year ended 31st March, 2020 till 48 hours after disclosure of Financial Results for period ending on March 31, 2020.
2.	Continual/Annual Disclosure under Regulation 30(1) /30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011	Non Submission of Continual/ Annual Disclosure under Regulation 30(1)/30(2) of SEBI Substantial Acquisition of Shares and Takeovers Regulations, 2011 for the Financial year ended March 31, 2020	Non submission by Promoters together with persons acting in concert with him who shall disclose their aggregate shareholding and voting rights as of the thirty-first day of March of every year. Promoters along with persons acting in of the Company has not submitted Continual/Annual Disclosures under Regulation 30(1)/ 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for the Financial Year ended on March 31, 2020.
3.	Filing of FLA Return under FEMA 1999	Non Submission of FLA Return w.r.t FDI/FPI	Company has not filed FLA return for FDI/FPI as on March 31, 2020.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company as given in **Point vi above**.

During the Period under review, provisions of the following Acts, Rules, Regulations, and Standards are not applicable to the Company,

- i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings; and
- ii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; - The Company is not registered as Registrar to an Issue & Share Transfer Agent. However, the Company has appointed Skyline Financial Services Private Limited as Registrar & Share Transfer Agent in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and circulars/ guidelines/ Amendments issued there under;
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- vi. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

SECRETARIAL AUDIT REPORT (Contd.)

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All decisions of the Board and Committees were carried with requisite majority.

I further report that -

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **SCS and Co. LLP**
Company Secretaries
ICSI Unique Code: L2020GJ008700

Sd/-

Anjali Sangtani

Partner

ACS No.: 41942

C P No.: 23630

UDIN:A041942C000790877

Place: Ahmedabad

Date: 16th August, 2021

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

To,
The Members,

INFLAME APPLIANCES LIMITED

KhewatKhatoni No. 45/45, Khasra No. 942/855/1 Village
Kalyanpur Tehsil-BaddiBaddi Solan-173205.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SCS and Co. LLP**
Company Secretaries
ICSI Unique Code: L2020GJ008700

Sd/-
Anjali Sangtani

Partner
ACS No.: 41942
C P No.: 23630

UDIN:A041942C000790877

Place: Ahmedabad
Date: 16th August, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members

Inflame Appliances Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Inflame Appliances Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, 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, 2021, 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 thereunder, 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 evolution 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 of most significance 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 Director's Report including Annexures to Director'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.

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 if required.

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 read with relevant rules. 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

INDEPENDENT AUDITORS' REPORT (Contd.)

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, management and 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

INDEPENDENT AUDITORS' REPORT (Contd.)

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, and the best of our information and explanation given to us, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rule.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - (h) 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.

For **GANDHI MINOCHA & CO**
Chartered Accountants
FRN: 000458N

(GOURAV CHHIBERR)

Partner

Place: Panchkula

M.NO. 513968

Dated: 28th June, 2021

UDIN: 21513968AAAAHR7256

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, 2021).

- 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, 2021, as per the accounts of the Company except, the dues relating to the Labour Welfare Fund and Labour Welfare Fund which was outstanding as on 31st March, 2021, has not been paid.
(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/NBFC during the year and has utilised for the purpose for which it has raised.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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.

For **GANDHI MINOCHA & CO**
Chartered Accountants
FRN: 000458N

(GOURAV CHHIBBERR)

Partner

M.NO. 513968

Place: Panchkula

Dated: 28th June, 2021

UDIN: 21513968AAAAHR7256

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’ of our report of even date to the Members of Inflamm Appliances Limited on the financial statement of year ended **31st March, 2021**)

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 31st March, 2021 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 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 and deemed to be 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial statements included obtaining an understanding of internal financial controls

over 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 over financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the 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 authorisations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

OPINION

In our opinion, the Company has, in all material respects, an internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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.

For **GANDHI MINOCHA & CO**
Chartered Accountants
FRN: 000458N

(GOURAV CHHIBBERR)

Partner
Place: Panchkula
Dated: 28th June, 2021

M.NO. 513968
UDIN: 21513968AAAAHR7256

STATEMENT OF ASSETS & LIABILITIES

AS AT 31.03.2021

(in ₹)

PARTICULARS	NOTES	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
(a) SHARE CAPITAL	'2'	6,00,00,000		6,00,00,000	
(b) SURPLUS	'3'	(1,80,27,735)	4,19,72,265	1,55,83,700	7,55,83,700
2. NON CURRENT LIABILITIES					
(a) LONG TERM BORROWING	'4'	8,93,43,062		2,39,38,951	
(b) DEFERED TAX LIABILITY	'5'	-		-	
(c) OTHER LONG TERM LIABILITIES	'6'	3,10,51,704		2,99,72,590	
(d) LONG TERM PROVISIONS	'7'	14,11,958	12,18,06,724	7,65,004	5,46,76,545
3. CURRENT LIABILITIES					
(a) SHORT TERM BORROWINGS	'8'	9,13,95,244		6,65,56,217	
(b) TRADE PAYABLES	'9'	10,82,08,765		9,85,69,386	
(c) OTHER CURRENT LIABILITIES	'10'	2,05,94,533		2,50,62,518	
(d) SHORT TERM PROVISIONS	'11'	-	22,01,98,542	-	19,01,88,122
TOTAL EQUITY & LIABILITIES			38,39,77,532		32,04,48,367
ASSETS					
1. NON CURRENT ASSETS					
(a) PROPERTY PLANT & EQUIPMENT					
(i) TANGIBLE ASSETS	'12'	10,85,75,495		11,80,21,768	
(ii) CAPITAL WORK IN PROGRESS	'12'	21,50,502		-	
(iii) INTANGIBLE ASSETS	'12'	38,79,818			
(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT	'12'	3,76,658		3,76,658	
b) DEFERRED TAX ASSET	'13'	2,50,17,293		1,34,10,654	
(b) LONG TERM LOANS AND ADVANCES	'14'	4,39,676		84,51,502	
(c) OTHER NON CURRENT ASSETS	'15'	43,55,363	14,47,94,804	56,75,179	14,59,35,762
2. CURRENT ASSETS					
(a) INVENTORIES	'16'	7,49,02,742		7,10,82,018	
(b) TRADE RECEIVABLES	'17'	12,93,05,666		8,54,83,473	
(c) CASH & CASH EQUIVALENTS	'18'	1,88,83,118		42,38,142	
(d) SHORT TERM LOANS & ADVANCES	'19'	55,49,861		5,36,424	
(e) OTHER CURRENT ASSETS	'20'	1,05,41,340	23,91,82,727	1,31,72,549	17,45,12,605
TOTAL ASSETS			38,39,77,532		32,04,48,367

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

Sd/-

GOURAV CHHIBBERR

PARTNER

M.NO. 513968

UDIN: 21513968AAAAHR7256

Place : Panchkula

Date : June 28, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

ADITYA KAUSHIK

PROMOTER AND MANAGING DIRECTOR

DIN: 06790052

Sd/-

ASHWANI KUMAR GOEL

WHOLE TIME DIRECTOR

DIN:08621161

Sd/-

AMIT KAUSHIK

CFO/CEO

Sd/-

ZALAK NITIN KUMAR SHAH

COMPANY SECRETARY

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31.03.2021

(in ₹)

PARTICULARS	NOTES	FIGURES AS ON	FIGURES AS ON
		31.03.2021	31.03.2020
		(AUDITED)	(AUDITED)
I. REVENUE FROM OPERATION			
SALE OF PRODUCTS	'21'	19,86,85,841	15,38,56,127
OTHER INCOME	'22'	24,52,692	89,30,439
III. TOTAL REVENUE	(I+II)	20,11,38,533	16,27,86,566
IV. EXPENSES			
COST OF RAW MATERIAL CONSUMED	'23'	16,27,75,758	11,49,92,727
DECREASE/(INCREASE) IN FG & WIP	'24'	(58,83,284)	75,75,175
EMPLOYEE BENEFITS EXPENSE	'25'	3,48,41,608	3,43,80,883
FINANCE COSTS	'26'	90,25,696	63,53,555
DEPRECIATION AND AMORTIZATION COST	'12'	1,78,34,841	1,97,58,186
OTHER EXPENSES	'27'	2,77,61,987	3,72,75,458
TOTAL EXPENSES		24,63,56,606	22,03,35,985
V. PROFIT BEFORE EXCEPTIONAL & EXTRA ORDINARY		(4,52,18,073)	(5,75,49,419)
ITEMS & TAXES	(III - IV)		
VI. EXCEPTIONAL ITEMS/EXTRAORDINARY ITEMS		-	-
VII. PROFIT BEFORE TAX	(V - VI)	(4,52,18,073)	(5,75,49,419)
VIII. TAX EXPENSE:			
1. CURRENT TAX		-	-
2. DEFERRED TAX		1,16,06,638	1,49,93,336
3. MAT		-	-
4. SHORT & EXCESS PROVISION OF TAX RELATING TO EARLIER YEAR		-	8,394
IX. PROFIT/LOSS FOR THE PERIOD	(VII - VIII)	(3,36,11,435)	(4,25,64,477)
		(3,36,11,435)	(4,25,64,477)
PAID UP CAPITAL		6,00,00,000	6,00,00,000
EARNING PER SHARE *		(5.60)	(7.09)
DILUTED EARNING PER SHARE		(5.60)	(7.09)
FACE VALUE PER SHARE		10.00	10.00

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

Sd/-

GOURAV CHHIBBERR

PARTNER

M.NO. 513968

UDIN: 21513968AAAAHR7256

Place : Panchkula

Date : June 28, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

ADITYA KAUSHIK

PROMOTER AND MANAGING DIRECTOR

DIN: 06790052

Sd/-

ASHWANI KUMAR GOEL

WHOLE TIME DIRECTOR

DIN:08621161

Sd/-

AMIT KAUSHIK

CFO/CEO

Sd/-

ZALAK NITIN KUMAR SHAH

COMPANY SECRETARY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31.03.2021

(in ₹)

PARTICULARS	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
PART - I - CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM		(4,52,18,074)		(5,75,57,813)
ADD/LESS NON CASH ITEMS AND ITEMS CONSIDERED SEPERATELY:				
DEPRECIATION AND AMORTISATION EXPENSE	1,78,34,841		1,97,58,186	
AMORTIZATION OF PRELIMINARY EXPENSES	14,11,416		14,11,416	
INTEREST EXPENSES	90,25,696		63,53,555	
INTEREST INCOME	(6,69,814)	2,76,02,140	(3,35,673)	2,71,87,485
		(1,76,15,934)		(3,03,70,328)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
ADJUSTMENTS FOR WORKING CAPITAL CHANGES:				
(INCREASE)/ DECREASE IN TRADE AND OTHER RECEIVABLES	(4,38,22,193)		94,90,958	
(INCREASE)/ DECREASE IN INVENTORIES	(38,20,724)		43,98,921	
(INCREASE)/ DECREASE IN OTHER CURRENT ASSETS	26,31,209		25,52,084	
(INCREASE)/ DECREASE IN SHORT TERM LOAN AND ADVANCES	(50,13,437)		3,19,557	
INCREASE/ (DECREASE) IN TRADE PAYABLES	96,39,379		(2,22,58,450)	
INCREASE/ (DECREASE) OTHER CURRENT LIABILITIES	(44,67,985)		(51,50,563)	
INCREASE/ (DECREASE) SHORT TERM BORROWINGS	2,48,39,027		4,82,61,188	
INCREASE/ (DECREASE) SHORT TERM PROVISION	-		(1,27,994)	
INCREASE/ (DECREASE) OTHER LONG TERM LIABILITIES	10,79,115		18,45,902	
INCREASE/ (DECREASE) OTHER LONG TERM PROVISION	6,46,954		(14,91,268)	
(INCREASE)/ DECREASE IN LONG TERM LOAN AND ADVANCES	80,11,826		(62,34,152)	
(INCREASE)/ DECREASE IN OTHER NON CURRENT ASSETS	(91,600)	(1,03,68,430)	4,900	3,16,11,082
CASH GENERATED FROM OPERATIONS		(2,79,84,364)		12,40,754
INCOME TAX		-		-
CASH FLOW BEFORE EXTRAORDINARY ITEM		(2,79,84,364)		12,40,754
ANY EXTRAORDINARY ITEM				
NET CASH FROM/(TO) OPERATING ACTIVITIES (A)		(2,79,84,364)		12,40,754
PART - II CASH FLOW FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS	(1,46,09,808)		(50,88,633)	
SALE OF FIXED ASSETS	4,10,000		10,17,000	
INTEREST RECEIVE ON FDR	6,69,814		3,35,673	
PROFIT ON SALE OF MACHINERY	(2,19,080)		(1,60,185)	
DECREASE / (INCREASE) FIXED DEPOSIT WITH BANK	(1,39,91,773)	(2,77,40,847)	39,66,466	70,321
NET CASH FROM/(TO) INVESTING ACTIVITIES (B)		(2,77,40,847)		70,321

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31.03.2021 (Contd.)**

(in ₹)

PARTICULARS	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
PART - III CASH FLOW FROM FINANCING ACTIVITIES				
PROCEEDS FROM LOANS	5,62,97,824		1,25,77,000	
REPAYMENT OF LOANS	91,06,287		(44,95,072)	
DIVIDEND PAID	-		(30,00,000)	
DIVIDEND DISTRIBUTION TAX	-		(6,16,680)	
INTEREST EXPENSES	(90,25,696)	5,63,78,415	(63,53,555)	
NET CASH FLOW FROM FINANCING ACTIVITIES		5,63,78,415		(18,88,307)
NET CHANGE IN CASH AND CASH EQUILENT		6,53,204		(5,77,233)
OPENING CASH AND CASH EQUIVALENTS		1,66,608		7,43,841
CLOSING CASH AND CASH EQUIVALENTS		8,19,811		1,66,608
DIFFERENCE IN OPENING AND CLOSING CASH AND CASH EQUIVALENTS		6,53,203		(5,77,233)

**CERTIFIED IN TERMS OF OUR SEPARATE
REPORT OF EVEN DATE ATTACHED**

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

Sd/-

GOURAV CHHIBBERR

PARTNER

M.NO. 513968

UDIN: 21513968AAAAHR7256

Place : Panchkula

Date : June 28, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

ADITYA KAUSHIK

PROMOTER AND MANAGING DIRECTOR

DIN: 06790052

Sd/-

ASHWANI KUMAR GOEL

WHOLE TIME DIRECTOR

DIN:08621161

Sd/-

AMIT KAUSHIK

CFO/CEO

Sd/-

ZALAK NITIN KUMAR SHAH

COMPANY SECRETARY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. 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 recognised 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.

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 capitalised 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 ₹ 10000/-. Intangible assets are amortised 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 ₹ 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 recognised 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

VII. Revenue recognition:

Revenue is recognised 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 recognised 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 finalisation 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 arising 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 capitalised 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 recognised 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2. SHARE CAPITAL

PARTICULARS	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
AUTHORISED SHARE CAPITAL				
60,00,000 (60,00,000) EQUITY SHARES OF RS. 10/- EACH	6,00,00,000		6,00,00,000	
ISSUED AND, SUBSCRIBED AND PAID UP				
60,00,000 (60,00,000) EQUITY SHARES OF RS.10/- EACH FULLY PAID UP	6,00,00,000	6,00,00,000	6,00,00,000	6,00,00,000
TOTAL (RS.)		6,00,00,000		6,00,00,000

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

PARTICULARS	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
- EQUITY SHARES AT THE BEGINNING OF THE YEAR	60,00,000			60,00,000
- BONUS SHARES ISSUED DURING THE YEAR	-			-
- EQUITY SHARES AT THE END OF THE YEAR	60,00,000			60,00,000

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	30,13,400	50.22	36,68,400	61.14
DINESH KAUSHIK	-	-	4,95,600	8.26

3. RESERVES & SURPLUS

PARTICULARS	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
SECURITY PREMIUM				
- OPENING BALANCE	3,55,57,000		3,55,57,000	
- LESS: UTILISED FOR BONUS ISSUE	-	3,55,57,000	-	3,55,57,000
OPENING BALANCE	(1,99,73,300)		2,62,07,857	
LESS: DIVIDEND	-		(30,00,000)	
LESS: DIVIDEND DISTRIBUTION TAX	-		(6,16,680)	
-ADD: PROFIT/(LOSS) FOR THE YEAR	(3,36,11,435)	(5,35,84,735)	(4,25,64,477)	(1,99,73,300)
TOTAL (RS.)		(1,80,27,735)		1,55,83,700

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

4. LONG TERM BORROWING

PARTICULARS	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
SECURED LOANS				
TRUCK LOAN (HDFC BANK) ¹	2,20,049		5,26,256	
CAR LOAN CRETA (HDFC BANK) ²	-		56,702	
CAR LOAN BMW (BMW FINANCIAL SERVICES) ³	5,50,266		11,33,071	
CAR LOAN i10 GRAND (YES BANK) ⁴	15,972		1,21,875	
IDFC FIRST BANK LOAN ⁵	8,86,346		13,73,307	
LOAN FROM TATA CAPITAL FINANCIAL SERVICES (140.00) ⁶	59,46,070		70,00,210	
LOAN FROM TATA CAPITAL FINANCIAL SERVICES (23.00) ⁶	9,82,288		11,50,530	
HDFC GECL LOAN ⁸	79,85,881		-	
IDFC BANK GECL LOAN ¹⁰	3,30,107		-	
ICICI BANK CAR LOAN (SWIFT) ¹¹	5,27,534		-	
TATA CAPITAL GECL LOAN ⁹	20,79,611		-	
TATA CAPITAL GI LOAN ⁶	5,73,080		-	
MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD ¹²	3,71,034	2,04,68,238	-	1,13,61,951
UNSECURED LOANS				
- MR. ASHWANI GOEL	1,76,19,824		44,44,000	
- MR. DINESH KAUSHIK	-		61,53,000	
- MR. ADITYA KAUSHIK	5,12,55,000	6,88,74,824	19,80,000	1,25,77,000
TOTAL (RS.)		8,93,43,062		2,39,38,951

- 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
- 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.
- 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.
- 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.
- BUSINESS LOAN FROM IDFC FIRST BANK IS SECURED BY DIRECTOR'S GUARANTEE.CARRYING ROI OF 18% P.A PAYABLE IN 36 EMIs.
- LOAN FROM TATA CAPITAL IS SECURED BY HYPOTHECATION AGAINST SPECIFIC MACHINERY FOR WHICH LOAN HAS BEEN TAKEN AND ESCROW OF RECEIVABLE OF THE BORROWER FROM HSIL IN THE FORM AND MANNER AS ACCEPTABLE TO TCFSL CARRYING ROI OF 11% PAYABLE IN 60 EMIs.
- 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.
- EXTENSION OF SECOND RANKING CHARGE OVER EXISTING PRIMARY & COLLATERAL SECURITIES INCLUDING MORTGAGE IN FAVOUR OF BANK AS DETAILED IN NOTE 8. CARRYING ROI @ 8.25% REPAYABLE IN 4 YEARS
- LOAN FROM TATA CAPITAL IS SECURED BY HYPOTHECATION OF MACHINERY PURCHASED OUT OF TCFSL FUND AND ESCROW OF RECEIVABLES OF THE BORROWER FROM HSIL IN THE FORM AND MANNER AS ACCEPTABLE TO TCFSL. CARRYING ROI OF 11.00% REPAYABLE IN 4 YEARS
- LOAN FROM IDFC FIRST BANK IS PAYABLE IN 48 EQUAL INSTALLMENTS
- SWIFT DZIRE CAR LOAN FROM ICICI BANK IS IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN. CARRYING ROI OF 7.80% PAYABLE IN 60 EMi'S
- XUV CAR LOAN FROM MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED IS SECURED BY HYPOTHECATION OF VEHICLE FOR WHICH LOAN HAS BEEN TAKEN AND IS CARRYING ROI OF 9.75% PAYABLE IN 36 EMi'S

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

5. DEFERRED TAX LIABILITY(NET)

PARTICULARS	FIGURES AS ON 31.03.2021	FIGURES AS ON 31.03.2020
DEFERRED TAX LIABILITY		
FIXED ASSETS:IMPACT OF DIFFERENCE BETWEEN TAX DEPRECIATION AND DEPRECIATION CHARGED FOR THE FINANCIAL REPORTING	-	-
GROSS DEFERRED TAX LIABILITY	-	-
LESS:IMPACT OF EXPENDITURE CHARGED TO THE STATEMENT OF P&L BUT NOT ALLOWED FOR TAX PURPOSE ON PAYMENT BASIS(GRATUITY)	-	-
NET DEFERRED TAX LIABILITY	-	-

6. OTHER LONG TERM LIABILITIES

PARTICULARS	FIGURES AS ON 31.03.2021	FIGURES AS ON 31.03.2020
CREDITOR AGAINST CAPITAL GOODS*	3,10,51,704	2,99,72,590
TOTAL (RS.)	3,10,51,704	2,99,72,590

*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 AGREEMENT EXECUTED BETWEEN DBS BANK AND TATA CAPITAL FINANCIAL SERVICES LIMITED ("TCFSL").

7. LONG TERM PROVISIONS

PARTICULARS	FIGURES AS ON 31.03.2021	FIGURES AS ON 31.03.2020
PROVISION FOR GRATUITY	14,11,958	7,65,004
TOTAL(RS.)	14,11,958	7,65,004

8. SHORT TERM BORROWINGS

PARTICULARS	FIGURES AS ON 31.03.2021	FIGURES AS ON 31.03.2020
HDFC BANK LTD(4547) ¹	5,81,24,568	6,65,56,217
WCDL 0114	70,00,000	-
LC DISCOUNTED WITH HDFC BANK	2,32,43,910	-
LC DISCOUNTED WITH ICICI BANK	30,26,766	-
TOTAL (RS.)	9,13,95,244	6,65,56,217

1. CC BY HDFC BANK LTD. CARRYING ROI @ 9.6%, 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 IN THE FORM OF EQUITABLE MORTGAGE OF FACTORY LAND AND BUILDING COMPRISING IN INDUSTRIAL VILLAGE BAGWALI, BLOCK RAIPUR RANI,NH-73, KHASRA NO 40/14-15-16-17/1134005 RAIPUR RANI, IN THE NAME OF THE COMPANY

9. TRADE PAYABLES

PARTICULARS	FIGURES AS ON 31.03.2021	FIGURES AS ON 31.03.2020
SUNDRY CREDITORS	10,82,08,765	9,74,89,578
(REFER TO POINT 'G' OF 'NOTE 28' FOR MICRO AND SMALL ENTERPRISES DISCLOSURE)		
CREDITORS FOR CAPITAL GOODS	-	10,79,808
TOTAL (Rs.)	10,82,08,765	9,85,69,386

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

10. OTHER CURRENT LIABILITIES

PARTICULARS	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
EXPENSES PAYABLE	1,23,84,831	1,23,84,831	1,92,19,941	1,92,19,941
STAFF SECURITY		16,000		-
SECURED LOANS (PAYABLE IN YEARS TIME)				
CAR LOAN BMW (BMW FINANCIAL SERVICES) ³	8,19,204		7,75,074	
CAR LOAN CRETA (HDFC BANK) ²	1,59,690		2,13,976	
TRUCK LOAN (HDFC BANK) ¹	3,81,836		3,55,986	
CAR LOAN i10 GRAND (YES BANK) ⁴	2,03,072		1,92,835	
LOAN FROM TATA CAPITAL (1.40 Cr) ⁶	23,50,490		31,11,240	
IDFC FIRST BANK LOAN ⁵	6,59,421		5,79,744	
ICICI BANK CAR LOAN (SWIFT) ¹¹	1,13,652		-	
HDFC GELC LOAN ⁸	20,14,119		-	
TATA CAPITAL (GECL LOAN)	3,35,425		-	
IDFC BANK GECL LOAN ¹⁰	69,262		-	
MAHENDRA & MAHENDRA XUV CAR LOAN	1,85,369		-	
LOAN FROM TATA CAPITAL (23L) ⁶	3,81,292	76,72,832	5,11,320	57,40,175
INTEREST ACCRUED BUT NOT DUE		1,69,971		1,02,403
CHEQUE ISSUED BUT NOT CLEARED BY BANK		3,50,900		-
TOTAL (Rs.)		2,05,94,533		2,50,62,518

- 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
- 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.
- 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.
- 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.
- BUSINESS LOAN FROM IDFC FIRST BANK IS SECURED BY DIRECTOR'S GUARANTEE.CARRYING ROI OF 18% pa PAYABLE IN 36 EMIs.
- 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.
- EXTENSION OF SECOND RANKING CHARGE OVER EXISTING PRIMARY & COLLATERAL SECURITIES INCLUDING MORTGAGE IN FAVOUR OF BANK AS DETAILED IN NOTE 8. CARRYING ROI @ 8.25% REPAYABLE IN 4 YEARS
- LOAN FROM TATA CAPITAL IS SECURED BY HYPOTHECATION OF MACHINERY PURCHASED OUT OF TCFSL FUND AND ESCROW OF RECEIVABLES OF THE BORROWER FROM HSIL IN THE FORM AND MANNER AS ACCEPTABLE TO TCFSL. CARRYING ROI OF 11.00% REPAYABLE IN 4 YEARS
- LOAN FROM IDFC FIRST BANK IS PAYABLE IN 48 EQUAL INSTALLMENTS
- SWIFT DZIRE CAR LOAN FROM ICICI BANK IS IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN. CARRYING ROI OF 7.80% PAYABLE IN 60 EMIS
- XUV CAR LOAN FROM MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED IS SECURED BY HYPOTHECATION OF VEHICLE FOR WHICH LOAN HAS BEEN TAKEN AND IS CARRYING ROI OF 9.75% PAYABLE IN 36 EMIS

11. SHORT TERM PROVISIONS

PARTICULARS	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
PROVISION FOR TAXATION		-		-
(NET OF ADVANCE TAX ,TDS & TCS)				
TOTAL (Rs.)		-		-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

12. PROPERTY, PLANT & EQUIPMENT

	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01-04-2020	Additions	Deductions	As at 31-03-2021	As at 01-04-2020	DEPRICIATION 2020-21	SALE/ ADJUSTMENTS	As at 31-03-2021	As at 31-03-2020
TANGIBLE ASSETS									
Land	2,01,64,843	-	-	2,01,64,843	0.00	-	-	2,01,64,843	2,01,64,843
Buildings	2,65,35,581	-	-	2,65,35,581	28,14,015.02	22,54,352.01	-	2,14,67,214	2,37,21,566
Plant & Machinery	8,85,79,221	55,91,586	-	9,41,70,807	2,37,15,052.21	1,23,57,955.66	-	5,80,97,799	6,48,64,169
Electrical Installation	33,97,642	21,324	-	34,18,966	12,43,208.66	5,57,844.58	-	16,17,912	21,54,433
Generator	7,10,000	-	-	7,10,000	2,29,253.95	87,032.47	-	3,16,286	4,80,746
Fire Extinguisher	63,918	-	-	63,918	59,657.97	1,063.32	-	60,721	4,260
OFFICE EQUIPMENT	2,71,984	70,975	-	3,42,959	1,00,310.87	51,367.28	-	1,51,678	1,71,673
Lab Equipment	6,18,536	-	-	6,18,536	3,32,280.08	74,101.86	-	4,06,382	2,86,256
Water Filter	42,800	7,300	-	50,100	19,509.23	6,469.25	-	25,978	23,291
Air Conditioner	5,70,807	-	-	5,70,807	3,28,574.94	1,09,178.72	-	4,37,754	2,42,232
Mobile	3,48,609	26,016	-	3,74,625	2,51,642.14	61,396.16	-	3,13,038	96,967
Furniture & Fixtures	21,47,852	93,907	-	22,41,759	5,91,760.24	4,17,189.28	-	10,08,950	15,56,092
Motor Vehicles	92,14,307	17,04,593	11,63,455	97,55,445	51,41,408.62	12,21,464.38	9,72,535	53,90,338	40,72,898
CCTV	77,515	-	-	77,515	51,334.64	16,535.43	-	67,870	26,180
Computer	7,17,495	6,69,603	-	13,87,098	5,66,391.19	2,22,893.51	-	7,89,285	1,51,104
Tally 9 ERP	64,900	-	-	64,900	59,841.22	1,813.78	-	61,655	5,059
	15,35,26,009	81,85,304	11,63,455	16,05,47,859	3,55,04,240.96	1,74,40,657.68	9,72,535	10,85,75,495	11,80,21,768
CAPITAL WIP									
FACTORY BUILDING	-	21,50,502	-	21,50,502	0.00	-	-	21,50,502	-
INTANGIBLE ASSETS									
- DESIGN & DEVELOPMENT	-	42,74,002	-	42,74,002	0.00	3,94,183.59	-	3,94,184	-
- SOFTWARE (SAP)-UNDER DEVELOPMENT	3,76,658	-	-	3,76,658	0.00	-	-	3,76,658	3,76,658
	3,76,658	42,74,002	-	46,50,660	0.00	3,94,183.59	-	3,94,184	3,76,658
Grand Total	15,39,02,667	1,46,09,808	11,63,455	16,73,49,020	3,55,04,240.96	1,78,34,841.28	9,72,535	11,49,82,473	11,83,98,426.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

13. DEFERRED TAX ASSET(NET)

PARTICULARS	FOR YEAR ENDED 31.03.2021	FOR YEAR ENDED 31.03.2020
DEFERRED TAX LIABILITY		
FIXED ASSETS:IMPACT OF DIFFERENCE BETWEEN TAX DEPRECIATION AND DEPRECIATION CHARGED FOR THE FINANCIAL REPORTING	(17,45,614)	(25,36,660)
GROSS DEFERRED TAX LIABILITY	(17,45,614)	(25,36,660)
DEFERRED TAX ASSET		
IMPACT OF LOSS INCURRED DURING THE YEAR	2,63,95,797	1,57,48,413
IMPACT OF EXPENDITURE CHARGED TO THE STATEMENT OF P&L BUT NOT ALLOWED FOR TAX PURPOSE ON PAYMENT BASIS(GRATUITY)	3,67,109	1,98,901
NET DEFERRED TAX	2,50,17,293	1,34,10,654

14. LONG TERM LOANS AND ADVANCES

PARTICULARS	FOR YEAR ENDED 31.03.2021	FOR YEAR ENDED 31.03.2020
MAT CREDIT ENTITLEMENT	4,39,676	4,39,676
DEPOSIT WITH NBFC AGAINST LC PAYMENT	(0)	80,11,826
TOTAL (Rs.)	4,39,676	84,51,502

15. OTHER NON CURRENT ASSETS

PARTICULARS	FOR YEAR ENDED 31.03.2021	FOR YEAR ENDED 31.03.2020
SECURITIES		
SECURITY DEPOSITS	15,32,530	14,40,930
PRE OPERATIVE EXPENSES	42,34,249	56,45,665
- LESS: 1/5 TH TO BE WRITTEN OFF	14,11,416	14,11,416
TOTAL (Rs.)	43,55,363	56,75,179

16. INVENTORIES

PARTICULARS	FOR YEAR ENDED 31.03.2021	FOR YEAR ENDED 31.03.2020
RAW MATERIALS	5,05,40,243	4,65,69,489
MATERIAL IN TANSIT	-	60,33,314
W.I.P	69,09,199	38,75,885
FINISHED GOODS	1,74,53,300	7,49,02,742
TOTAL (Rs.)	7,49,02,742	7,10,82,018

17. TRADE RECEIVABLE

PARTICULARS	FOR YEAR ENDED 31.03.2021	FOR YEAR ENDED 31.03.2020
OUTSTANDING FOR PERIOD EXCEEDING 6 MONTHS	7,38,17,800	7,28,32,856
OTHERS	5,54,87,866	12,93,05,666
TOTAL (Rs.)	12,93,05,666	8,54,83,473

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

18. CASH & CASH EQUIVALENTS

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
BALANCE WITH SCHEDULED BANKS :				
ICICI CC (1465)		10,656		58,783
HDFC NEW (136)		6,06,481		-
YES BANK (0301)		96,928		-
Canara Bank (0598)		2,477		92,614
CANARA BANK (0579)		99		1,328
BANK O.D. 2451261000560		75,752		8,222
CASH IN HAND		27,418		5,660
FIXED DEPOSITS (UNDER LIEN)				
- ICICI TDA A/C **		1,31,81,355		-
- HDFC BANK LTD.**				
- AGAINST LC/BG		48,81,952		40,71,534
TOTAL (Rs.)		1,88,83,118		42,38,142

** ALL FDRS ARE UNDER LIEN WITH BANKS/NBFCS

19. SHORT TERM LOANS AND ADVANCES

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
ADVANCES RECOVERABLE IN CASH OR KIND (AS PER LIST '5' ATTACHED)	10,42,639		3,38,687	
ADVANCE FOR CAPITAL GOODS (AS PER LIST '6' ATTACHED)	1,47,737	11,90,376	1,97,737	5,36,424
ADVANCE AGAINST SUPPLIES (AS PER LIST '8' ATTACHED)		43,59,485		-
TOTAL (RS.)		55,49,861		5,36,424

20. OTHER CURRENT ASSETS

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
PREPAID EXPENSES		1,03,769		88,435
PREPAID LC DISCOUNTING CHARGES		2,60,455		-
INTEREST ACCRUED		2,46,888		1,93,776
BALANCE WITH REVENUE AUTHORITIES				
TDS/ TCS RECOVERABLE(A.Y. 2020-21)	76,871		-	
INCOME TAX REFUNDABLE (A.Y. 2019-20)	29,340		29,340	
DUTY DRAWBACK RECEIVABLE	40,218		-	
GST RECOVERABLE	97,07,205		1,27,84,402	
VAT TAX RECOVERABLE	76,595	99,30,229	76,595	1,28,90,337
TOTAL (RS.)		1,05,41,340		1,31,72,549

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

21. REVENUE FROM OPERATIONS

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
SALES				
- EXPORT	86,50,058		1,14,03,234	
- DOMESTIC	19,00,35,783	19,86,85,841	14,24,52,892	15,38,56,127
TOTAL (RS.)		19,86,85,841		15,38,56,127

22. OTHER INCOME

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
AMOUNT WRITTEN BACK	-		77,64,778	
INTT INCOME	6,69,814		3,35,673	
DISCOUNT RECEIVED	83,934		4,27,065	
DUTY DRAWBACK	1,67,097		95,813	
PROFIT ON SALE OF VEHICLE	2,19,080		1,60,185	
MISC. INCOME	13,12,767	24,52,692	1,46,925	89,30,439
TOTAL (RS.)		24,52,692		89,30,439

23. PURCHASE/CONSUMPTION OF RAW MATERIALS

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
OPENING STOCK OF RAW MATERIAL	5,26,02,803		4,94,26,549	
ADD: PURCHASES				
IMPORT	2,25,96,682		1,45,40,953	
DUTIES & TAXES(CUSTOM)	23,84,993		13,73,266	
DOMESTIC PURCHASES	13,57,31,523	21,33,16,001	10,22,54,762	16,75,95,530
LESS: CLOSING STOCK				
RAW MATERIALS	5,05,40,243		4,65,69,489	
STOCK IN TRANSIT	-	5,05,40,243	60,33,314	5,26,02,803
TOTAL (RS.)		16,27,75,758		11,49,92,727

24. CHANGE IN INVENTORY OF FINISHED GOODS

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
CLOSING STOCK OF STOCK IN TRADE				
- WIP	69,09,199		38,75,885	
- FINISHED GOODS	1,74,53,300		1,46,03,330	
OPENING STOCK OF STOCK IN TRADE				
- FINISHED GOODS	1,46,03,330		1,89,98,610	
- WIP	38,75,885		70,55,780	
DECREASE/(INCREASE) IN STOCK IN TRADE	(58,83,284)		75,75,175	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

25. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
SALARY AND WAGES	2,64,66,167		2,71,31,383	
DIWALI BONUS	3,38,100		-	
REMUNERATION				
- DIRECTOR	27,00,000		23,50,000	
- DIRECTOR'S RELATIVE	13,75,000		9,00,000	
- KEY MANAGERIAL PERSON	12,00,000		12,00,000	
CONTRIBUTION TO PF / ESI	7,88,834		11,07,015	
GRATUITY	6,46,954		(13,90,983)	
LWF CONTRIBUTION	55,938		1,02,890	
PRODUCTION INCENTIVE	-		17,65,110	
STAFF WELFARE EXPENSES	12,70,615	3,48,41,608	12,15,468	3,43,80,883
TOTAL (Rs.)		3,48,41,608		3,43,80,883

26. FINANCE COST

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
INTEREST ON VEHICLE LOANS	2,87,477		3,51,368	
INTT ON CC	62,20,910		41,62,331	
INTEREST ON LOANS	25,17,309		17,26,615	
OTHER INTEREST	-	90,25,696	1,13,241	63,53,555
TOTAL (RS.)		90,25,696		63,53,555

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

27. OTHER EXPENSE

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
MANUFACTURING AND OTHER EXPENSES :-				
FREIGHT INWARD	17,35,996		14,73,531	
JOB WORK CHARGES	2,76,014		12,69,241	
FACTORY CONSUMABLES	43,72,860		15,35,375	
LOADING & UNLOADING EXP.	1,65,925		1,47,065	
DETENTION CHARGES	-		11,18,550	
POWER CHARGES	38,69,969		47,71,520	
IMPORT HANDLING CHARGES	22,75,463		20,14,961	
FUEL & DIESEL	11,09,049		8,87,173	
BIS FEE	40,796	1,38,46,072	3,10,835	1,35,28,251
ADMINISTRATIVE EXPENSES :-				
ACCOUNTING CHARGES	72,000		96,375	
DONATION	-		11,000	
INSURANCE	4,12,535		3,71,221	
RENT	1,35,562		1,14,084	
RENT (FACTORY)	75,600		90,000	
TELEPHONE EXPESNES	85,639		68,884	
REPAIR AND MAINTAINENCE	6,34,902		2,71,129	
REGISTRATION & FILING	1,95,575		3,72,000	
POSTAGE AND COURIER	93,332		1,08,974	
PRINTING & STATIONARY	92,982		1,85,910	
OFFICE EXPENSES	2,56,296		-	
LEGAL & PROFESSIONAL CHARGES	14,01,955		7,71,324	
SOCIAL WELFARE SURCHARGE	2,38,166		1,37,326	
TRAVELLING & CONVEYANCE	10,57,324		22,66,882	
VEHICLE RUNNING EXP.	3,44,884		5,23,447	
AUDITORS FEES	2,50,000	53,46,752	2,50,000	56,38,555
SELLING AND DISTRIBUTION EXPENSES :-				
BUSINESS PROMOTION	2,31,255		4,37,143	
COMMISSION	-		85,44,230	
FREIGHT OUTWARD	24,09,033		13,85,798	
CALIBRATION CHARGES	1,24,600		-	
DISCOUNT ALLOWED	-		22,214	
CHANNEL ACCESS FEES	-	27,64,887	13,33,330	1,17,22,715
MISC. EXPENSES				
BANK CHARGES	15,88,729		10,03,024	
BONUS ISSUE EXPENSES	-		23,600	
DOCUMENTATION CHRGES	60,983		2,96,153	
DESIGNING EXP	-		1,28,490	
DIWALI GIFTS	2,64,225		3,270	
OFFICE EXPENSES	11,880		-	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

PARTICULARS	FOR YEAR ENDED 31.03.2021		FOR YEAR ENDED 31.03.2020	
INTERNET EXPENSES	74,800		44,222	
INTEREST, FINES & CHARGES	70,997		3,05,781	
HOUSE KEEPING & TANK CLEANING	16,430		25,604	
MEMBERSHIP FEE	29,000		2,29,546	
ADVERTISEMENT	24,300		-	
EXCHANGE FLUCTUATION	7,60,932		20,96,427	
ROC FEES	7,700		28,124	
INSTALLATION EXPENSES	9,200		-	
AMOUNT WRITTEN OFF	10,74,027		-	
LABOUR CHARGES	1,49,916		1,97,944	
INTT ON TDS	48,424		40,834	
ROUND OFF	1,711		1,632	
MEDICAL EXPENSE	16,893		17,349	
RESEARCH & DEVELOPMENT	-		40,000	
RATE DIFFERENCE	31,540		-	
TOLL TAX	48,970		-	
WEIGHTMENT CHARGES	2,910		4,560	
PRELIMINARY EXP. WRITTEN OFF	14,11,416		14,11,416	
MISC EXP	87,232		2,64,539	
OTHERS	12,061	58,04,277	2,23,421	63,85,937
TOTAL (RS.)		2,77,61,987		3,72,75,458

28. OTHER NOTES TO ACCOUNTS

CONTINGENT LIABILITIES	NIL	NIL
CAPITAL COMMITMENT	NIL	NIL

PARTICULARS	FIGURES AS ON 31.03.2021		FIGURES AS ON 31.03.2020	
A) REMMUNRATION TO AUDITORS		2,50,000		2,50,000
B) EXPENDITURE IN FOREIGN CURRENCY				
- RAW MATERIAL		2,25,96,682		1,45,40,953
- CAPITAL GOODS		-		-
C) EARNING IN FOREIGN CURRENCY				
- F.O.B VALUE IN EXPORTS		83,39,248		1,08,52,440
D) RELATED PARTY TRANSACTIONS :				
i) DIRECTOR'S REMUNERATION		27,00,000		23,50,000
ii) DIRECTOR'S RELATIVES REMUNERATION		13,75,000		9,00,000
iii) KEY MANAGERIAL PERSON'S REMUNERATION		12,00,000		12,00,000

- E) Debtors, Creditors and Loans & Advances are subject to confirmation, Reconciliation and Consequential impact if any.
- 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.
- 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

H) The effect of foreign exchange rate variations during the year

PARTICULARS	FOR THE YEAR ENDED 31.03.2021	FOR THE YEAR ENDED 31.03.2020
i) AMOUNT CHARGED TO STATEMENT OF PROFIT & LOSS ACCOUNT GAIN/(LOSS)	(7,60,932)	(20,96,427)

I) DISCLOSURE AS PER ACCOUNTING STANDARD-15

(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.

(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:-

KEY ACTUARIAL ASSUMPTION FOR ACTUARIAL VALUATION AS AT :-

PARTICULARS	31.03.2021	31.03.2020
MORTALITY TABLE	2012-14	2012-14
DISCOUNT RATE	7.06%	6.79%
SALARY ESCALATION	8.00%	8.00%
EXPECTED RATE OF RETURN ON PLAN ASSETS	6.91%	7.44%
I. Change in Present Value of Obligation	31.03.2021	31.03.2020
Present Value of Obligation at the beginning of the period	8,76,989	22,56,272
Acquisition Adjustment	-	-
Interest Cost	61,915	1,66,777
Current Service Cost	9,36,863	5,86,126
Past Service Cost	-	-
Benefits Paid	-	-
Actuarial (Gain)/Loss on obligation	(3,44,189)	(21,32,186)
Present Value of Obligation at the end of the period	15,31,578	8,76,989
II. Change in Fair Valur of Plan Assets	31.03.2021	31.03.2020
Fair Value of plan assets at the beginning of the period	1,11,985	1,91,836
Acquisition Adjustment	-	-
Expected return on plan assets	7,738	14,273
Contributions	(676)	(91,551)
LIC Charges	-	-
Benefits Paid	-	-
Actuarial Gain/(Loss) on Plan Assets	573	(2,573)
Fair Value of plan assets at the end of the period	1,19,620	1,11,985
III. Fair Valur of Plan Assets	31.03.2021	31.03.2020
Fair Value of Plan Assets at the beginning of the period	1,11,985	1,91,836
Acquisition Adjustment	-	-
Actual return on Plan Assets	8,311	11,700
Contributions	(676)	(91,551)
LIC Charges	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the end of the period	1,19,620	1,11,985

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

PARTICULARS	31.03.2021	31.03.2020
IV. Actuarial gain/loss Recognised	31.03.2021	31.03.2020
Actuarial gain/(loss) for the period-Obligation	3,44,189	21,32,186
Actuarial (gain)/loss for the period-Plan Assets	(573)	2,573
Total (gain)/Loss for the period	(3,44,762)	(21,29,613)
Actuarial (gain)/loss recognizd in the period	(3,44,762)	(21,29,613)
Unrecognized actuarial (gains)/losses at the end of the period	-	-
V. The Amount to be recognized in Balance sheet and Profit & Loss A/C	31.03.2021	31.03.2020
Present Value of Obligation at the end of the period	15,31,578	8,76,989
Fair Value of plan assets at the end of the period	1,19,620	1,11,985
Funded Status/ Difference	(14,11,958)	(7,65,004)
Excess of actual over estimated	-573	(2,573)
Unrecognized actuarial (gains)/losses	0	-
Net Asset/(Liability) recognized in Balance Sheet	(14,11,958)	(7,65,004)
VI. Expense recognized in Profit & Loss A/C	31.03.2021	31.03.2020
Current Service Cost	9,36,863	5,86,126
Past Service Cost	-	-
Interest Cost	61,915	1,66,777
Expected return on plan assets	(7,738)	(14,273)
Net Actuarial Gain/(Loss) recognized in the period	(3,44,762)	(21,29,613)
Expense recognized in Profit & Loss A/C	6,46,278	(13,90,983)
VII. Reconciliation Statement of Expense in Profit & Loss A/C	31.03.2021	31.03.2020
Present Value of Obligation at the end of the period	15,31,578	8,76,989
Present Value of Obligation at the beginning of the period	8,76,989	22,56,272
Benefits Paid	-	-
Actual return on plan assets	(8,311)	(11,700)
Acquisition Adjustment	0	-
Expense recognized in Profit & Loss A/C	6,46,278	(13,90,983)
VIII. Movement in liability recognized in Balance sheet	31.03.2021	31.03.2020
Opening Net Liability	8,76,989	22,56,272
Expenses as above	6,46,278	(13,90,983)
Benefits Paid	-	-
Actual return on plan assets	8,311	11,700
Acquisition Adjustment	-	-
Closing Net Liability	15,31,578	8,76,989
IX. Major Categories of Plan Asssets	31.03.2021	31.03.2020
Government of India Securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of Listed Bonds	-	-
Property	-	-
Funds Managed by Insurer	100%	100.00%
Total	100%	100.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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. Amit Kaushik	Key Managerial Person
Mr. Ashwani Kuamr Goel	Director
Mr. Naveen Kumar	Director
Ms. Ruchi Kaushik	Relative of Director
Mr. Ashish Kaushik	Relative of Director
Super Packaging	Prop. Director's relative
Mahaluxmi Industries	Prop. Naveen Kumar
Ness Appliances	Prop. Ashish Kaushik
Mr. Dinesh Kaushik	Director Relative
Mrs. Anita Kaushik	Director Relative

PARTICULARS	TRANSACTION TYPE	31.03.2021	31.03.2020
i) REMUNERATION			
- DIRECTORS	REMUNERATION	27,00,000	23,50,000
- KEY MANAGERIAL PERSON	CEO	12,00,000	12,00,000
- DIRECTOR'S RELATIVE	REMUNERATION	13,75,000	9,00,000
ii) SUPER PACKAGING	SALE	6,90,309	1,94,750
	PURCHASE	43,80,044	63,04,321
OUTSTANDING BALANCE AS ON 31.3.2021 (CR.)		(26,70,622)	(17,51,758)
iii) MAHALUXMI INDUSTRIES	SALE	3,25,160	83,159
	PURCHASE	47,64,487	47,15,591
OUTSTANDING BALANCE AS ON 31.3.2021 (DR.)		6,35,861	8,74,601
iv) NESS APPLIANCES	SALE	68,20,293	24,15,690
OUTSTANDING BALANCE AS ON 31.3.2021(DR.)		27,70,605	16,03,449

M) DISCLOSURE AS PER AS-19

PARTICULARS	31.03.2021	31.03.2020
FUTURE LEASE PAYMENTS TO BE PAID		
0-1 YEARS	4,55,712	1,88,112
1-5 YEARS	13,78,720	5,56,595
LATER THAN 5 YEARS	NIL	NIL
TOTAL LEASE RENTALS EXPECTED	18,34,432	7,44,707
LEASE RENTALS RECOGNIZED IN P&L IN C.Y.	2,11,162	2,04,084

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

N) EARNING PER SHARE

PARTICULARS	31.03.2021	31.03.2020
NET PROFIT AFTER TAX	(3,36,11,435)	(4,25,64,477)
WEIGHTED AVG. NO OF EQUITY SHARES	60,00,000	60,00,000
EARNING PER SHARE (IN RS.)*	(5.60)	(7.09)
DILUTED EARNING PER SHARE	(5.60)	(7.09)

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 PURCHASED

PARTICULARS	31.03.2021		31.03.2020	
	%AGE	VALUE	%AGE	VALUE
RAW MATERIAL				
IMPORTED	14.27%	2,25,96,682	12.45%	1,45,40,953
INDIGENOUS	85.73%	13,57,31,523	87.55%	10,22,54,762

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

PARTICULARS	AS ON 31.03.2021	AS ON 31.03.2020
- ASSETS / RECEIVABLES (I.E. DEBTORS)		
IN FOREIGN CURRENCY		
IN US \$	8,546	23,400
IN EURO		
IN INDIAN CURRENCY		
IN US \$	6,24,794	17,70,561
IN EURO		
- LIABILITIES / PAYABLES (I.E. CREDITORS)		
IN FOREIGN CURRENCY		
IN US \$	37,671	37,671
IN EURO	-	-
IN INDIAN CURRENCY		
IN US \$	27,54,120	28,50,369
IN EURO		
- LIABILITIES / PAYABLES (LONG TERM)		
IN FOREIGN CURRENCY		
IN US \$	-	-
IN EURO	3,66,946	3,62,119
IN INDIAN CURRENCY		
IN US \$	-	-
IN EURO	3,14,65,606	2,99,72,590

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

R) India is currently witnessing the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-affected states. The Company has not experienced any significant impact on its liquidity position due to the access to diversified sources of borrowings. The Company continues to be well geared to meet its funding needs. The Company believes that with the pickup in global vaccination programme, the business and commercial activity is poised for resurgence, leading to increase in demand of homeappliances .

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in its ability to continue as a going concern. However, the impact of this pandemic on the Company will, inter alia, continue to be dependent on future developments relating to duration of Covid-19, and any further actions by the Government and Regulatory bodies to contain its impact on MSME. The Company shall also continue to closely monitor any material changes arising of future economic conditions and potential impact on its business.

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
ADITYA KAUSHIK
PROMOTER AND MANAGING DIRECTOR
DIN: 06790052

Sd/-
ASHWANI KUMAR GOEL
WHOLE TIME DIRECTOR
DIN:08621161

Sd/-
AMIT KAUSHIK
CFO/CEO

Sd/-
ZALAK NITIN KUMAR SHAH
COMPANY SECRETARY





inflamm[®]
Inspired Cooking

inflamm Appliances Limited

(Formerly TECHNO ENGINEERING CORPN)

Village Bagwali, Khasra no.40/ 14-15-16-17/1,

Block - Raipur Rani, NH - 73, Panchkula - 134202, Haryana, India

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 4th ANNUAL GENERAL MEETING OF THE MEMBERS OF INFLAME APPLIANCES LIMITED WILL BE HELD ON TUESDAY, 28 SEPTEMBER, 2021 AT 12:30 P.M (IST). THROUGH VIDEO CONFERENCING ("VC") OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES. THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY AT KHEWAT KHATONI NO. 45/45, KHASRA NO. 942/855/1 VILLAGE KALYANPUR TEHSIL-BADDI, SOLAN – 173205, HIMACHAL PRADESH TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESSES

1. To receive, consider and adopt the Audited Financial Statements for the financial year Ended on 31 March, 2021, together with the Directors and Auditors Report.
2. To appoint a Director in place of Mr. Aditya Kaushik, Chairman and Managing Director (DIN- 06790052), who retires by rotation, and being eligible, offers himself for reappointment.

IMPORTANT NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08 April, 2020, Circular No.17/2020 dated 13 April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05 May, 2020 and Circular No. 02/2021 dated 13 January, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Pursuant to the Circular No. 14/2020 dated 08 April, 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. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be

made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto;
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. 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 08 April, 2020, 13 April, 2020 and 05 May, 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13 April, 2020, the Notice calling the AGM 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 Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08 April, 2020 and MCA Circular No. 17/2020 dated 13 April, 2020, MCA Circular No. 20/2020 dated 05 May, 2020 and MCA Circular No. 2/2021 dated 13 January, 2021.

NOTICE (Contd.)

9. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,
11. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the meeting. This would enable the Company to compile the information and provide the replies at the Meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 28 September, 2021. Members seeking to inspect such documents can send an email to csinflame@gmail.com.
15. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the NSDL. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialised mode is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed M/s SCS and Co. LLP, Practicing Company Secretaries (M. No. 41942 and COP No. 23630), as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
16. The e-voting period commences on Saturday 25 September, 2021 at 09:00 A.M. (IST) and ends on Monday 27 September, 2021 at 05:00 P.M. (IST). During this period, members holding shares in dematerialised form, as on cut-off date, i.e. as on Wednesday, 22 September, 2021 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast.
17. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/ OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
18. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting). The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and will also be displayed on the Company's website, csinflame@gmail.com.

NOTICE (Contd.)

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday 25 September, 2021 at 09:00 A.M. (IST) and ends on Monday 27 September, 2021 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 22 September, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 22 September, 2021.

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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9 December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

NOTICE (Contd.)

Type of shareholders	Login Method
	<ol style="list-style-type: none"> After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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.

NOTICE (Contd.)

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. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - 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.
 - How to retrieve your 'initial password'?
 - 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'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- 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.
 - Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - 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 etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.

NOTICE (Contd.)

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail scsandcollp@gmail.com with a copy marked to 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.

3. 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 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. 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 csinflame@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
2. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated 9 December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

NOTICE (Contd.)

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/

OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member 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.

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 csinflamm@gmail.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	26th December, 1971
Date of Initial Appointment	11th November, 2017
Date of Appointment (at current term)	05th January, 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:	30,13,400 Equity Shares
Inter-se Relationship with other Directors	No relationship with other Directors

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

Aditya Kaushik
 Chairman and Managing Director
 DIN 06790052

Date : 18th August, 2021
 Place: Panchkula

Registered Office:

Khewat Khatoni No. 45/45,
 Khasra No. 942/855/1, Village Kalyanpur Tehsil- Baddi,
 Solan -173205, Himachal Pradesh
 CIN: L74999HP2017PLC006778
 Email ID: csinflame@gmail.com
 Contact No.: 01795-246820