



Date: August 03, 2023

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

Respected Sir/Ma'am

Sub: Submission of Annual Report for Financial Year 2022-23.

Ref.: Inflame Appliances Limited (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 06th Annual Report of the Company.

Kindly disseminate the same on your website and oblige us.

For, **Inflame Appliances Limited**

Aditya Kaushik
Chairman & Managing Director
DIN: 06790052

Place: Panchkula
Encl: 06th Annual Report 2022-23

INFLAME APPLIANCES LIMITED

(Formerly TECHNO ENGINEERING CORPORATION)

ADD.: Khasrano. 40/14-15-1 6-17/1 Vill. Bagwali, Nh -73, Distt. Panchkula(H.R.) 134202

Regd. Office:-Khasra No. # 85511,Vill. Kalyanpur, Chakkan Road, Teh. Baddi, Distt. Solan (H.P.) 173205

W: www.inflameindia.com , Email: cs@inflameindia.com M: 7832901824, CIN: L74999HP2017PLC006778

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Inspired Cooking



Inflame Appliances Limited

CIN: L74999HP2017PLC006778

ANNUAL REPORT
2022-23

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Key Management



Amit Kaushik
CEO & CFO

Amit develops & monitors strategies for ensuring the long-term financial viability of the organization. He is responsible for the identification and design of products & their suppliers, sales & marketing activities and overseas operations. Amit has a combined experience of 28 years in the field of business promotion and held various management positions. He holds a Bachelors degree in economics and prior to this venture, he was working as CEO of a leading appliances brand in India for 6 years. His experience in the international trade and his strong understanding of Indian appliances market motivated him to envisage this project.



Aditya Kaushik
Chairman & Managing Director

Aditya is associated with appliances industry since beginning of this millennium. He has an entrepreneur experience of over 18 years. This journey has given him the insight of appliances trade in India. He has the understanding of all commercial & technical aspects of appliances. He holds a two year Diploma in air-conditioning and refrigeration. He is responsible for operational and logistics functions of the company.project.



Ashwani Goel
Whole Time Director

Ashwani comes from an engineering background and holds a bachelors in engineering in the field of metallurgical engineering from NIT Jaipur in the year 1985. He is working as a whole-time Director with Inflamm Appliances Ltd.

He has an illustrious career and spent over 30 years in building and growing JSW. He has successfully led and executed multiple projects within JSW Group. He is a pioneer in the field of supply chain management, plant operations and sales.

Ever since he has taken over as a Director with Inflamm, he has played a vital role in the turnaround of the company. He envisages Inflamm to be a market leader by 2024 by producing 100,000 chimneys per month by setting up 4 plants across India. Under his leadership Inflamm is on its way to become India's most trusted preferred supplier to multiple home appliances groups.im to envisage this project.



Anusheel Kaushik
Whole Time Director

Aged 28 years, Mr. Anusheel Kaushik holds a Bachelor degree in Mechanical Engineering followed by a degree in Masters International Business Management from University of Applied Science, Landshut Germany.

He has worked at the R&D department of BMW group, where he was mainly responsible for Vehicle Assembly planning in coordination with the BMW IT sector in Munich Germany. He also holds experience in PLM, Project management and data analysis which he gained while working as a consultant for MHP, a Porsche company in Munich Germany.

Since he has completed his higher and competitive education in Germany, he is fluent in German language and has a competence level of B1 in Spanish language. Mr. Anusheel Kaushik would be in-charge for implementing new manufacturing project at Maheshwaram, Hyderabad. Using his experience, the Company expects to implement European systems at this new facility.

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ABOUT US

In flame Appliances Limited is an ISO 9001:2015 certified company and engaged in manufacturing of Electrical Chimneys/Range Hoods, Built-in Gas Hobs and LPG Gas Stove/ Cooktops(Metal & Glass Cooktops) in Haryana and Telangana(Production beginning on January 23, 2023).

Our company had also been a part of **PRIME MINISTER UJJWALA YOJANA (PMUY)** launched by the Central Govt. of India for providing 5 Crore new gas connection to the people below poverty line in the country. This PMUY had created a huge demand for LPG gas stoves which helped our company to achieve higher growth.

In flame markets and sells its products in its own brand “In flame” in the domestic & overseas markets. Being a leading manufacturer of Range Hoods (Electrical Chimneys) in India today, In flame is catering to the requirements of other big appliances brands who were sourcing these range hoods from overseas producers previously, benefiting them to serve better quality and saving the cost of transit. Also, the company plans to further increase its capacity to 40,000 Chimneys per month by establishing one more Plant in the State of Telangana in near future.

Our development process includes design, development, testing, manufacturing and delivery. Our progressive management and cutting edge production technology contribute to our ability to provide our customers with exceptional value in a highly competitive industry. Also our manufacturing facilities are equipped with modern infrastructure and sophisticated machines backed by untiring efforts in the field of research & development and high quality consciousness.

Our Company erstwhile Partnership firm was founded by Mr. Dinesh Kapoor and Mr. Karan Kapoor in the year 2010 with an object of manufacturing of Automobile Parts. Later the partnership firm was taken over by Mr. Aditya Kaushik and Mr. Dinesh Kaushik in the year 2015 and presently promoted by Mr. Aditya Kaushik, Mr. Dinesh Kaushik and Mr. Amit Kaushik who have experience in Kitchen Appliances business. The potential experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience in the Kitchen Appliances Industry.



CORPORATE INFORMATION

BOARD OF DIRECTORS

| Name | DIN | Designation |
|------------------------|----------|---|
| Mr. Aditya Kaushik | 06790052 | Chairman and Managing Director |
| Mr. Naveen Kumar | 08743772 | Whole Time Director |
| Mr. Ashwani Kumar Goel | 08621161 | Whole Time Director |
| Mr. Akshay Kumar Vats | 08020018 | Non-Executive Independent Director |
| Ms. Smita Bhandari | 08205214 | Non-Executive Independent Director |
| Mr. Anusheel Kaushik* | 10091002 | Additional Director (Whole Time Director) |

*w.e.f April 01, 2023

KEY MANAGERIAL PERSONNEL

| Name | DIN/PAN | Designation |
|----------------------------|------------|---|
| Mr. Amit Kaushik | AAKPK0287B | Chief Financial Officer and Chief Executive Officer |
| Ms. Zalak Nitin Kumar Shah | FCCPS8681C | Company Secretary & Compliance Officer |

AUDIT COMMITTEE

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

STAKEHOLDER'S RELATIONSHIP COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITOR

M/s. SCS AND CO LLP
Practicing Company Secretary
Registered Office: Office No. B-1310, Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thaltej Road, Ahmedabad - 380054.
Tel No.: 8128156833
Email Id: scsandcollp@gmail.com
Website: www.scsandcollp.com

REGISTRAR & SHARE TRANSFER AGENT

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

BANKERS TO THE COMPANY

HDFC Bank
Branch:- Shahzadpur, Ambala.

REGISTERED OFFICE

Khewat Khatoni No. 45/45, Khasra No. 942/855/1, Village Kalyanpur, Tehsil-Baddi, Solan-173205, Himachal Pradesh.
Telephone No.: +91-7832901824
Email: cs@inflammindia.com
Website: www.inflammindia.com

CORPORATE OFFICE

Village Bagwali, Khasra No. 40/14-15-16-17/1, Block - Raipur Rani, NH-73, Panchkula-134202.
Telephone No.: +91-7832901824

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby presents 06th Annual Report of your Company ("the Company"), including the Standalone Audited Financial Statements, for the Financial Year ended on March 31, 2023.

FINANCIAL RESULTS:

The Company's financial performance for the year ended on March 31, 2023 is summarized below:

| PARTICULARS | AMOUNT (₹ IN LAKHS) | |
|--|--------------------------|--------------------------|
| | YEAR ENDED 31.03.2023 | YEAR ENDED 31.03.2022 |
| Revenue From Operations | 7735.96 | 3961.71 |
| Other Income | 64.38 | 10.48 |
| Total Revenue (I+II) | 7800.34 | 3972.18 |
| Earnings Before Interest, Taxes, Depreciation and Amortization Expense | 1063.12 | 150.25 |
| Finance Cost | 209.68 | 172.20 |
| Depreciation and Amortization Expense | 223.94 | 180.66 |
| Profit Before Tax (IV-V-VI) | 629.50 | (202.61) |
| Extraordinary items | 189.04 | 17.85 |
| Tax Expense: | | |
| i. Current Tax Expense | 6.16 | - |
| ii. Deferred Tax Expenses | (110.50) | (55.75) |
| iii. MAT - | - | - |
| iv. Short and excess provision of tax relating to earlier year | - | - |
| Profit After Tax (VII-VIII) | 323.80 | (164.71) |

COMPANY'S PERFORMANCE:

STANDALONE FINANCIAL RESULTS:

During the year under review, the revenue from operation of the Company was stood at Rs. 7735.96 Lakh as against that of Rs. 3961.71 Lakh for previous year. Revenue from operation of the Company was increased by 95.27% over previous year. The Major increased in revenue from operation was due to increase in Domestic sales.

Profit before Tax for the financial year 2022-23 stood at Rs. 629.50 Lakh as against that of Loss of Rs. (202.61) Lakh making the net profit of Rs. 323.80 for the financial year 2022-23 as against the net Loss of Rs. (164.71) Lakhs for the financial year 2021-22.

During the year under review, Revenue from Operations of the Company was increased by 95.27% than that of previous year. However, increase in revenue also caused increase in cost of material and other operation expenses

DIVIDEND:

With a view to conserve and save the resources for future prospect of the Company, your Directors regret to declare dividend for the financial year 2022-23 (Previous Year Nil).

TRANSFER TO RESERVES:

Your Directors do not propose to transfer any amount to the General Reserves. Full amount of net profit are carried to reserve & Surplus account of the Company.

CHANGE IN NATURE OF BUSINESS:

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

CHANGE IN THE REGISTERED OFFICE:

During the year under review, there was no change in the registered office of the Company.

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

SHARE CAPITAL:

During the year under review, following changes were carried out in the authorized and paid-up share capital of the Company:

AUTHORIZED CAPITAL SHARE CAPITAL:

During the year under review, vide Special Resolution passed by the Members through postal ballot on June 29, 2022, the authorized share capital of the Company have been increased from Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 Equity Shares of Rs. 10/- each to Rs.10,50,00,000/- (Rupees Ten Crore Fifty Lakhs Only) divided into 1,05,00,000 Equity Shares of Rs. 10/- each.

The Authorized share Capital of the Company, as at closure of financial year 2022-23, was Rs.10,50,00,000/- divided into 1,05,00,000 Equity Shares of Rs. 10/- each.

ISSUED, SUBSCRIBED & PAID-UP CAPITAL:

During the year under review, the Members passed the Special resolution to create, issue, offer and allot Upto 6,66,000 Equity Shares at an Issue price of Rs. 382/- Per Equity Share (including a share premium of Rs. 372 Per Equity Share) aggregating to Rs.25,44,12,000/- on Preferential Basis to Non Promoter/Public.

On receipt of funds from Proposed Allottees 6,61,000 Equity Shares were allotted in Board Meeting held on July 9, 2022 to Non Promoter/Public Category Shareholder.

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

Further during the financial year 2022-23 remaining 30,000 warrants converted into 30,000 Equity Shares of face value of Rs. 10 each on September 02, 2022 upon receipt of written Notice & balance 75% of issue price from remaining two warrant holder.

Company applied for Listing Approval for 30,000 Equity Shares allotted on Preferential Issue Basis on July 09, 2022 and received Listing Approval from BSE Limited on July 19, 2022 & Trading Approval received as on October 12, 2022 from BSE.

Consequently above, the issued, subscribed and paid-up equity share capital of the Company stands increased to Rs. 7,34,10,000 (Rupees Seven Crore Thirty Four Lakh Ten Thousand Only) divided into 73,41,000 (Seventy Three Lakh Forty One Thousand only) Equity shares of Rs. 10 each allotted on the preferential allotment basis shall rank pari passu with the existing equity shares of the Company in all respects.

UTILIZATION OF PROCEEDS OF PREFERENTIAL ISSUE:

The Company raised funds of Rs. 25,25,02,000/- (Rupees Twenty Five Crore Twenty Five Lakh Two Thousand Only) through Preferential Issue of shares & Rs. 40,50,000/- (Rupees Forty Lakh Fifty Thousand Only) through preferential issue of Warrants . The gross proceeds of the issue has been utilized in the manner as proposed in the Offer Document, the details of which are hereunder:

• **Preferential Issue of Equity Shares**

| Original Object | Modified Object, if any | Original Allocation | Modified allocation, if any | Funds Utilized | Amount of Deviation/ Variation for the quarter according to applicable object | Remarks if any |
|--|-------------------------|---------------------|-----------------------------|------------------|---|----------------|
| To make payment of borrowings of the Company, meeting future funding requirements, working capital and other general corporate purposes of the Company | - | Rs. 25,25,02,000 | - | Rs. 25,25,02,000 | - | - |

• **Preferential Issue of Conversion of Warrants into Equity Shares**

| Original Object | Modified Object, if any | Original Allocation | Modified allocation, if any | Funds Utilized | Amount of Deviation/ Variation for the quarter according to applicable ob@ject | Remarks if any |
|--|-------------------------|---------------------|-----------------------------|----------------|--|----------------|
| To prepayment of borrowings of the Company, meeting future funding requirements, working capital and other general corporate purposes of the Company | - | Rs. 40,50,000 | - | Rs. 40,50,000 | - | - |

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 March 31, 2023 |
|------------------------|---|------------------------------|---|---------------------------------|-------------------------------|-------------------------------|--|
| | | | | | in which Director is Member | in which Director is Chairman | |
| Mr. Aditya Kaushik | Chairman and Managing Director | November 14, 2017 | January 5, 2018 | 1 | 2 | - | 30,13,400 |
| Mr. Ashwani Kumar Goel | Whole Time Director | December 12, 2019 | September 29, 2020 | 1 | - | - | 3,50,000 |
| Mr. Naveen Kumar | Whole Time Director | March 14, 2020 | September 29, 2020 | 1 | - | - | - |
| Mr. Akshay Kumar Vats | Non-Executive Independent Director | January 05, 2018 | January 05, 2018 | 1 | 2 | 1 | - |
| Ms. Smita Bhandari | Non-Executive Independent Director | August 28, 2018 | September 28, 2018 | 1 | 2 | 1 | - |
| Mr. Anusheel Kaushik | Additional Director (Whole Time Director) | April 01, 2023 | April 01, 2023 | 1 | - | - | - |

1. Committee includes Audit Committee and Stakeholder's Relationship Committee across all Public Companies.

2. Excluding LLPs, Section 8 Company & Struck Off Companies.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from the requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Director of the Company is serving as a Whole-Time Director in any other Listed Company and the number of their directorship is within the limits laid down under section 165 of the Companies Act, 2013.

• **DISCLOSURE BY DIRECTORS:**

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP-1, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

• **BOARD MEETING:**

Regular meetings of the Board are held at least once in a quarter. Additional Board meetings are called & convened, as and when required, to discuss and decide on various business policies, strategies and other businesses.

During the year under review, Board of Directors of the Company met 12 times on May 20, 2022, May 27, 2022, June 13, 2022, June 27, 2022, July 07, 2022, July 09, 2022, July 30, 2022, September 02, 2022, September 17, 2022, November 14, 2022, December 15, 2022, and March 25, 2023. Pursuant to Section 173 of the Companies Act, 2013, the time gap between the two consecutive Board Meetings was not be more than 120 days.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

| Name of Director | Mr.Aditya Kaushik | Mr.Akshay Kumar Vats | Ms.Smita Bhandari Goel | Mr.Ashwani Kumar | Mr.Naveen Kumar | Mr.Anusheel Kaushik |
|--|-------------------|----------------------|------------------------|------------------|-----------------|---------------------|
| Number of Board Meeting held | 12 | 12 | 12 | 12 | 12 | 12 |
| Number of Board Meetings Eligible to attend | 12 | 12 | 12 | 12 | 12 | - |
| Number of Board Meeting attended | 12 | 12 | 12 | 12 | 12 | - |
| Presence at the previous AGM of F.Y. 2021-22 | Yes | Yes | Yes | Yes | Yes | |

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. Further, all the Independent Directors of the Company have registered themselves in the Independent Director Data Bank. In the opinion of the Board, all our Independent Directors possess requisite qualifications, experience, expertise including the Proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iiiia) of the Companies (Accounts) Rules, 2014.

A separate meeting of Independent Directors was held on March 25, 2023 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board

INFORMATION ON DIRECTORATE AND KEY MANAGERIAL PERSONNEL (KMP):

During the year under review, there was change in constitution of the Board of Directors of the Company.

Retirement By Rotation And Subsequent Re-Appointment

Further, In accordance with the provisions of the Articles of Association and 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. Naveen Kumar (DIN: 08743772) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment.

i. Change in Designation of Board of Directors

During the year under review Mr. Aditya Kaushik (DIN: 06790052) as a Chairman and Managing Director were re-appointed in the annual general meeting held on August 31, 2022 to hold office for further period of five years and liable to retire by rotation.

During the year under review Mr. Anusheel Kaushik appointed as additional director (Whole Time Director) of the Company in the board meeting held on March 25, 2023 subject to Allotment of Valid DIN to hold office till conclusion of ensuing Annual General meeting of the Company.

DETAILS OF KEY MANAGERIAL PERSONNEL:

In terms of Section 203 of the Companies Act, 2013, during the FY 2022-23, the Company had Mr. Aditya Kaushik as Chairman and Managing Director, Mr. Ashwani Kumar Goel and Mr. Naveen Kumar as Whole Time Director, Mr. Amit Kaushik as CEO and CFO and Ms. Zalak Shah as Company Secretary and Compliance Officer of the Company as Key Managerial Personnel.

PERFORMANCE EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act.

- The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm that:

- In preparation of Annual Accounts for the year ended March 31, 2023 the applicable accounting standards have been followed and that no material departures have been made from the same;
- The Directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for the year;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts for the year ended March 31, 2023 on going concern basis;
- The Directors have laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEE OF BOARD:

The Board of Directors in line with the requirement of the act has formed various committees, details of which are given hereunder:

A. AUDIT COMMITTEE:-

The Board of Directors had constituted Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013. The terms of reference of the Committee is available on the website of the Company at www.inflameindia.com.

During the year under review, the Audit Committee met 2 (Two) times during the Financial Year 2022-23 on May 27, 2022, and November 14, 2022.

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 2022-23 | | |
|-----------------------|------------------------------------|-------------|--|--------------------|----------|
| | | | Held | Eligible to attend | Attended |
| Mr. Akshay Kumar Vats | Non-Executive Independent Director | Chairperson | 2 | 2 | 2 |
| Mr. Aditya Kaushik | Chairman and Managing Director | Member | 2 | 2 | 2 |
| Ms. Smita Bhandari | Non-Executive Independent Director | Member | 2 | 2 | 2 |

The Statutory Auditors of the Company are invited in the meeting of the Committee wherever required. Further, the Company Secretary of the Company is acting as Company Secretary to the Audit Committee.

Recommendations of Audit Committee wherever/whenever given have been considered and accepted by the Board.

VIGIL MECHANISM:

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct.

Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.inflammindia.com.

B. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Board of Directors has constituted 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.inflammindia.com

During the year under review, Stakeholder's Relationship Committee met 4 (Four) times viz on May 27, 2022, July 30, 2022, November 14, 2022 and March 25, 2023. 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 2022-23 | | |
|-----------------------|------------------------------------|-------------|--|--------------------|----------|
| | | | Held | Eligible to attend | Attended |
| Ms. Smita Bhandari | Non-Executive Independent Director | Chairperson | 4 | 4 | 4 |
| Mr. Aditya Kaushik | Chairman & Managing Director | Member | 4 | 4 | 4 |
| Mr. Akshay Kumar Vats | Non-Executive Independent Director | Member | 4 | 4 | 4 |

There was no complaint unresolved as on March 31 2023.

C. NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors 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.inflammindia.com.

During the year under review Nomination and Remuneration Committee met 2 (Two) times viz on July 30, 2022, and March 25, 2023.

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 2022-23 | | |
|-----------------------|------------------------------------|-------------|--|--------------------|----------|
| | | | 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.

REMUNERATION OF DIRECTORS:

The details of remuneration paid during the Financial Year 2022-23 to Directors of the Company is provided in Form MGT-7 available on website of the company at <https://inflameindia.com> The aggregate amount paid towards Directors remuneration during the FY 2022-23 is Rs. 73,90,000/-

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 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 rupees one thousand crore or 10% of the annual consolidated turnover as per the last audited financial statement, whichever is lower or a transaction involving payments with respect to brand usage or royalty entered into individually or taken together with previous transactions during the financial year, exceeding five percent of the annual consolidated turnover of the Company as per the last audited financial statements, 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 financial year 2022-23 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 www.inflameindia.com.

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-A**.

MATERIAL CHANGES AND COMMITMENT:

During the year, Company had received approval from Telangana Government for allotment of Land at Maheshwaram for our New Production Project & received Possession Certificate from Telangana State Industrial Infrastructure

Corporation Limited for taken over the possession of the Land located at No. 10 & 21 measuring 8094.00 Sq. Mtrs at IP EMC Maheshwaram (V), Maheshwaram (M), Ranga Reddy District, Telangana State.

There are no material changes and commitments affecting the financial position of the Company have occurred between the ends of Financial Year of the Company i.e. March 31, 2023 to the date of this Report.

ALTERATION OF AOA:

During the year under review, Company has passed Special resolution at the annual general meeting held on August 31, 2022 altered the sub-clause (2) of Article No 14 of Article of Association of the Company.

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. Further, the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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-B**.

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 unauthorized 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Provisions pertaining to Corporate Social Responsibility of Section 135 of the Companies Act, 2013 are not applicable to the Company, hence there is nothing to mention for the year under review.

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, Haryana (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.

M/s. Gandhi Minocha and Company, Chartered Accountant, Haryana (FRN: 000458N) proposed to be re-appointed as Statutory Auditors of your Company at forthcoming Annual General Meeting, for the second term of Five consecutive years for a term till the conclusion of Eleventh Annual General Meeting to be held in the calendar year 2028.

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 is enclosed with the financial statements in this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report except:-

- I. The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from a bank on the basis of security of current assets. However, on pursuance of documents submitted to us the quarterly returns or statements filed by the company with such banks are not in agreement with the books of account of the Company.

Reply by Management: Due to technical reasons, there was ambiguity in providing Data for current Asset valuation for the reason of which there is discrepancy in the statements filed with the Banks & Books of Accounts. However, now the Company has implemented ERP System which will enhance data quality and management so that such discrepancies would not arise in future.

- II. The Company, the gross statutory dues of income tax or sale tax or service tax or duty of custom or duty of excise or value added tax or cess or Goods and Service Tax and any other statutory dues which have not been deposited on account of dispute or deposited under protest and the forum where the dispute is pending are given below:

| Sl. No. | Name of Statute | Nature of the Dues | Period to which the amount relates | Forum where the dispute is pending | Gross disputed amount (Rs. in Lacs) | Amount deposited under protest/appeal (Rs. in Lacs) | Amount not deposited (Rs. in Lacs) |
|---------|-----------------|---------------------|------------------------------------|------------------------------------|-------------------------------------|---|------------------------------------|
| 1 | Income Tax | Income tax/interest | 2018-19 | CPC | 24.36 | 0 | 24.36 |

Reply by Management: The Company has filed revised Income tax Return i.e ITR-6 for rectification with Department and The Company is still awaiting for response from department.

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-C**.

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 2022-23, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the Financial Year 2022-23 is annexed to this report as an **Annexure-D**.

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

1. Sitting Fees of Independent Director is less than Sitting Fees paid to other Independent Directors.

Management Reply: We are into discussion with Independent Directors to make uniform payment of Sitting Fees to all the Independent Directors

WEBSITE:

Your Company has its fully functional website **www.inflameindia.com** which has been designed to exhibit all the relevant details about the Company. The site carries a comprehensive database of information of the Company including the Financial Results of your Company, Shareholding Pattern, details of Board Committees, Corporate Policies/ Codes, business activities and current affairs of your Company. All the mandatory information and disclosures as per the requirements of the Companies Act, 2013, Companies Rules, 2014 and as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also the non-mandatory information of Investors' interest / knowledge has been duly presented on the website of the Company.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the Financial Year 2022-23, there was no application made and proceeding initiated /pending under the Insolvency and Bankruptcy Code, 2016, by any Financial and/or Operational Creditors against your Company. As on the date of this report, there is no application or proceeding pending against your company under the Insolvency and Bankruptcy Code, 2016.

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.

Registered office: Khawat Khatoni No. 45/45,
Khasra No. 942/855/1 Village Kalyanpur
Tehsil-Baddi, Baddi Solan-173205,
Himachal Pradesh.

Corporate Office: Village Bagwali,
Khasra No. 40/14-15-16-17/1,
Block - Raipur Rani, Nh-73,
Panchkula-134202.

For and on behalf of Board of Directors
For, **Inflamm Appliances Limited**
CIN: L74999HP2017PLC006778

Aditya Kaushik
Chairman and Managing Director
DIN 06790052

Date : August 02, 2023
Place : Panchkula

ANNEXURE – A

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 | 24.66:1 | 58% |
| 2. | Ashwani Kumar Goel | Whole Time Director | Remuneration | 12.46:1 | No Change |
| 3. | Naveen Kumar | Whole Time Director | Remuneration | 1.25:1 | (31)% |
| 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 | 15.57:1 | No Change |
| 7. | Zalak Shah | Company Secretary | Remuneration | 0.93:1 | No Change |

- 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 increased by 85.38% over the previous financial year.

- c) **The number of permanent employees on the rolls of the Company:**

98 Permanent Employees as on March 31, 2023.

- 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 increased by 109.44% whereas the remuneration of the executive directors was also increased and it was within the limit as approved by the shareholders of the Company.

Registered office: Khewat Khatoni No. 45/45,
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Tehsil-Baddi, Baddi Solan-173205,
Himachal Pradesh.

Corporate Office: Village Bagwali,
Khasra No. 40/14-15-16-17/1,
Block - Raipur Rani, Nh-73,
Panchkula-134202.

Date : August 02, 2023
Place : Panchkula

For and on behalf of Board of Directors
For, **Inflame Appliances Limited**
CIN: L74999HP2017PLC006778

Aditya Kaushik
Chairman and Managing Director
DIN 06790052

ANNEXURE – B

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to Section 134 (3) (m) of the Companies Act, 2013 & 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

C. The expenditure incurred on Research and Development: During the year under review, the Company has not incurred any Expenditure on Research and Development.

D. Foreign Exchange Earnings & Expenditure:

i) Details of Foreign Exchange Earnings: (In Rs.)

| Sr.No. | Particulars | F.Y. 2022-23 | F.Y. 2021-22 |
|--------|---------------------------|--------------|--------------|
| 1. | Foreign Exchange Earnings | - | 1,05,95,202 |

ii) Details of Foreign Exchange Expenditure: (In Rs.)

| Sr.No. | Particulars | F.Y. 2022-23 | F.Y. 2021-22 |
|--------|------------------------------|--------------|--------------|
| 1. | Foreign Exchange Expenditure | 16,13,91,161 | 3,56,74,346 |

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

Corporate Office: Village Bagwali,
Khasra No. 40/14-15-16-17/1,
Block - Raipur Rani, Nh-73,
Panchkula-134202.

For and on behalf of Board of Directors
For, **Inflamm Appliances Limited**
CIN: L74999HP2017PLC006778

Aditya Kaushik
Chairman and Managing Director
DIN 06790052

Date : August 02, 2023
Place : Panchkula

ANNEXURE – C

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The growing popularity of premium kitchen appliances on account of rising consumer awareness about high quality and durability represents one of the key factors positively influencing the market in India, Electric kitchen appliances have become an essential part of modern life. Today, the market is replete with a range of appliances designed to suit various requirements of consumers across the country for the preparation of homemade food. Key factors driving growth in the market include increasing numbers of working women, rapid urbanization, a growing number of households, a rise in dual-income nuclear families, improving standards of living, rising disposable income, and higher per-capita spends on lifestyle stuff. The India chimneys and built-in hobs market size is expected to grow at a CAGR of 13.30% between 2023 and 2028. The Indian kitchen chimney market attained a value of USD 1.65 billion in the year 2022 and is expected to attain USD 3.48 billion by 2028, which is expected to aid the growth of the market in the country. The market is projected to grow at a CAGR of 12.7% between 2023 and 2028.

The India chimneys and built-in hobs market is driven by the growing availability of these products through online as well as offline distribution channels, along with the rising popularity of modular and advanced appliances. The Indian cooking method involves sautéing and frying, along with the spluttering of oil, spices, organic matter, and moisture, which leaves its impression on the kitchen ceiling and tiles. The kitchen chimney helps provide essential ventilation and vents out moisture, smoke, grease filled-air, and food particles, and decreases indoor pollution. Moreover, built-in hobs provide better safety, convenience, and faster cooking. On account of this, these kitchen appliances are extensively installed in households, cafes, restaurants, and other eateries across India.

The market for kitchen range chimneys is being driven by the growth of modular kitchens and the demand for convenient kitchen appliances among consumers. Indian kitchens have seen changes over the years. These are also known as "ready-to-install" cabinets because they can be customized according to customers' preferences. As a result, kitchen chimneys have been accepted and have entered the market more quickly.

SUMMARY OF OUR BUSINESS:

Our 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. Inflame is a Public Limited Company engaged in manufacturing of various Kitchen Appliances such as Kitchen Hoods, Gas Hobs & LPG Stoves. The factory at the present location was started in 2018 and the facility to manufacture Kitchen Hoods was installed in 2019. Ever since, we have developed in excess of 20 models for Kitchen Hoods and in terms of production, we are already among 3 top manufacturers in India. The company is providing Kitchen Hoods to Indian marketer companies in their own brands & is in direct competition with Chinese suppliers.

The market for Kitchen Hoods is almost 2 million a year and is growing at about 15 % year on year. The present penetration for this product is very less & thus scope for growth is tremendous. With this idea and also to mitigate logistics cost, company has decided to start its second plant at Hyderabad and plan to produce almost 20-25k chimneys per month at both locations. For FY23-24 the company is aiming to produce 240,000 chimneys from Panchkula and 100,000 chimneys from the Hyderabad plant. The company is targeting to achieve 50% CAGR for the next 3-5 years.

The company has 2 facilities – one each at Panchkula, Haryana and Hyderabad, Telangana (currently under setup). Once the Hyderabad facility is fully functional, the company will have combined capacity in India to manufacture 600,000 units of Chimneys, 120,000 units of Hobs and 300,000 units of Gas stoves. This makes Inflame Appliances the largest kitchen appliances manufacturer in India under one roof with the widest product range.

The setting up of our Hyderabad facility gives us a 2 pronged benefit. One, the ability to target Southern markets more efficiently and profitably, and second being the ability to compete with imports (primarily from China) thereby meeting the "Make in India" criteria, making us one of the leading players in the kitchen appliances manufacturing business in India.

The company is also moving towards achieving 100% in-house manufacturing with less than 1% rejection rate. It is also moving towards adoption of 100% environmental friendly and recycled packaging.

The company is also working towards expanding its product offerings in the kitchen appliances space with new products like dish washers, ovens and built in ovens, which will be developed over the next 18–24 months.

All these steps coupled with the combined experience of the promoters and management forms the key strengths of the Company thus laying a strong foundation for sustained growth into the future. 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. Your company is so far serving its customers Sunflame Appliances & Hindware for supply of chimney under their brand name. Further, your company has widened its customer base and has added various prestigious Companies like Flipkart, PKL Limited (Brand Clix), Green Line Appliances, Kaff Appliances, Wonderchef, Tuareg Marketing Private Limited, Stove Kraft Limited etc. as its Customers. Your Company is continuously focusing on growing and expanding its business. Further Our Company also adding new product like Oven Toaster Grills, Gas stoves, Hobs at our new Production Plant at Maheshwaram, Hyderabad.

SALIENT FEATURES OF OUR PRODUCTS:

The process of manufacturing involves majorly processes which are in house manufactured and procurement of components from outside vendors.

Some processes done in house are:

- 1) Processing of sheet metal components
- 2) Processing glass components
- 3) Powder coating of sheet metal parts
- 4) Assembly of Products

There are some "Bought out Parts" BOP components. These components are majorly sourced from our dedicated vendors in India & China. The Incoming Quality checking (IQC) is very important for both BOP parts and in house produced components. Once material is received in store, IQC is done, upon clearance from IQC, the material is processed/used for various production activities. On-line inspection & Pre Dispatch Inspection are conducted as per Quality parameters/policy. Once product is ready, we pack them in boxes as per packing standards.

We place significant emphasis on providing quality products. To this end, we strive to maintain quality standards at all our manufacturing products. Quality management plays an essential role in determining and meeting customer requirements, preventing defects and improving our products. We have a network of quality systems throughout our business which relate to the design, development, manufacturing, packaging and distribution of our products.

OUR COMPETITIVE STRENGTHS:

We believe that the following are our primary competitive strength:

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 our products are various types of Stainless steel, GPSP steel, electrical cables, LED Lights, PCB and Switches, Clear glass packaging which are available in neighbouring states which results in lower logistic costs. Our manufacturing units are located in states we believe offers potential market for our products thus reducing the logistical costs associated with delivery. The strategic location helps to market the product in the neighbouring States and also exports to foreign countries.

Proven and experienced management team

Our Promoter has around vast experience in the industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing capacities, finance, sales, business development and strategic planning in the industry. 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 Kitchen Appliances Industry. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of cutting-edge technology results in growing capacities and rising production levels with better cost management and enhanced process efficiency has translated into our quality product, increasing profitability and improved margins which gives us a competitive edge.

Research and Development

Right from the beginning our Company has believed in research and development which has benefited our company to lay a technical foundation and the capability that allows the Company to offer customized 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 Chimney and sheet metal components make us the most desirable manufacturer in the country.

Extensive Distribution Network

Inflame envisage to capture 40% market share in the next 5 years by expanding its manufacturing facilities to multiple strategic locations covering major regions of India. The State government of Telangana decided to provide support to start-ups in the form of grants for their innovative solutions that have the potential to address the local and social issues in rural areas. In this regard, Company is Set-up a new manufacturing plant in Hyderabad, Telangana and commercial production has been already started in June 2023 & a proposed new centralized R&D lab in Panchkula, Haryana. Recently, Distributors Network has been set up in the States of Maharashtra, Gujarat, West Bengal, Uttar Pradesh, Punjab, Haryana, Jammu & Kashmir and Himachal Pradesh. In time to come, this distribution network would be spread across pan-India and complete product range would be offered to consumers through this distribution network.

OUR BUSINESS STRATEGY:

Quality Assurance

Inflame is a prominent manufacturer of modern kitchen appliances in India. The management hold a vast experience in the domain Backed by the cutting-edge production technology & High-end German technology CNC machines imported from Trumf (Germany). Inflame offers exceptional value in its futuristic products. A dedicated Design and R&D lab to produce innovative, energy-efficient products managed by a team of industry professionals. We endeavour to maintain the quality of our products, and follow strict procedures to ensure quality control, timely delivery and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees which will help to increase the sales of the Company and retain customers.

To build-up a professional Organization

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

Development of new product for both domestic and overseas markets

Our Company is continuously looking out for improvements in our regular products and developing new products for the domestic and overseas markets. We have introduced various new products in the current year like Electrical Chimney, Glass Hobs, Oven Toaster Grill and other Cooking Ranges and we are now in the process of introducing more new in coming years. These products will further enhance our Company's product portfolio to be offered to our customers. We would be creating a separate division to create an overseas market for its products.

Optimal Utilization of Resources

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

OPPORTUNITIES:

The growing popularity of premium kitchen appliances on account of rising consumer awareness about high quality and durability represents one of the key factors positively influencing the market in India. Inflame took it as an opportunity by developing all components in India and preparing for the worst circumstances by eliminating dependence on China completely. Today, when businesses are hugely affected due to high logistics cost, badly delayed shipments & commodity price hikes, manufacturing in India is way viable than imports. During the last two years, Inflame has successfully Indianised over 30 chimney models and replaced Chinese manufacturers by supplying made in India products to top Indian appliances brands in substantial quantities.

High Demand for Quality Makes easier to replace Chinese products with better quality "Made in India" products with low freight and inventory-carrying cost. Inflame is a Public Limited Company engaged in manufacturing of various Kitchen Appliances such as Kitchen Hoods, Gas Hobs & LPG Stoves. The factory at the present location was started in 2018 and the facility to manufacture Kitchen Hoods was installed in 2019. Ever since, we have developed in excess of 20 models for Kitchen Hoods and in terms of production, we are already among 3 top manufacturers in India. The company is providing Kitchen Hoods to Indian marketer companies in their own brands & is in direct competition with Chinese suppliers.

Urban customers are now considering appliances as lifestyle products and are open to pay increased prices for products that are ergonomically designed and offer multiple features. 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.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

Inflame is a Public Limited Company engaged in manufacturing of various Kitchen Appliances such as Kitchen Hoods, Gas Hobs & LPG Stoves. Our company's total sale increased by 95.27% to Rs. 77,35,95,537 against Rs.3,96,170,522 in FY 2022-23.

Inflame is equipped with latest machineries, tools, skilled man power, handling equipment and various in house facilities for smooth operation and quality product. We have developed a sound infrastructure base that is subject to regular upgradation based on technology and working systems.

OUTLOOK:

Our Company has India's 1st integrated facility to produce variety of appliances like Chimneys, Hobs and Gas stoves. With ready infrastructure, upgradation to world-class technology, backward integration and development of variety of models, Inflame is all set to expand its operations in India and global markets very soon.

At Inflame, we are innovating products with the help of AI and the IOT that can take over the kitchens. Voice-based controls & LED-fitted chimneys with hundreds of pre-stored recipes is closer than expected. Inflame, in its long-term expansion plan, eyes to be a global source for quality appliances and exceeding buyer's expectations. A major facility in the western India would enable exports to the African and other regions.

THREATS, RISK AND CONCERNS:

The industry is highly fragmented in the hands of several organized and unorganized 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.

Several competitors who are attracted to the growth and returns offered by this industry have emerged. These companies have short term agendas and are sourcing lower value/substandard quality products from China and participating in the Indian markets through unsustainable practices. This can cause temporary distortions in prices and demand, especially to long-term players who are focused on quality.

The 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 SYSTEM 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.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

| PARTICULARS | AMOUNT (₹ IN LAKHS) | |
|--|--------------------------|--------------------------|
| | YEAR ENDED 31.03.2023 | YEAR ENDED 31.03.2022 |
| Revenue From Operations | 7735.96 | 3961.71 |
| Other Income | 64.38 | 10.48 |
| Total Revenue (I+II) | 7800.34 | 3972.18 |
| Earnings Before Interest, Taxes, Depreciation and Amortization Expense | 1063.12 | 150.25 |
| Finance Cost | 209.68 | 172.20 |
| Depreciation and Amortization Expense | 223.94 | 180.66 |
| Profit Before Tax (IV-V-VI) | 629.50 | (202.61) |
| Extraordinary items | 189.04 | 17.85 |
| Tax Expense: | | |
| i. Current Tax Expense | 6.16 | - |
| ii. Deferred Tax Expenses | (110.50) | (55.75) |
| iii. MAT - | - | - |
| iv. Short and excess provision of tax relating to earlier year | - | - |
| Profit After Tax (VII-VIII) | 323.80 | (164.71) |

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The Company's relations with the employees continued to be cordial and harmonious with its employees. It considers manpower as its assets and that people had been driving force for growth and expansion of the Company. The Company acknowledge that its principal assets is it employees. The Company has continued its efforts in building a diverse and inclusive workforce.

The total number of employees on roll in the Company as on 31st March, 2023, including factory workmen, was 98. The Company will continue to create opportunity and ensure recruitment of diverse candidates without compromising on meritocracy.

KEY FINANCIAL RATIOS:

| RATIO | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 | % CHANGE FROM LAST YEAR | Explanation for Change in Ratio (for more than 25% in comparison with last year) |
|----------------------------------|--------------------------|--------------------------|-------------------------|---|
| Current Ratio | 1.67 | 1.16 | 45% | Regarding Current ratio, During current financial year Company's current assets has been increased as comparing last Financial year resulting in increase in the said ratio. |
| Debt-Equity Ratio | 0.13 | 0.40 | 35% | During Current Financial year Company has issued Total equity shares worth Rs.69.10 Lakhs at premium amounting to Rs. 25.10 Crore and also repaid Unsecured loan of Rs. 5.00 Cr resulting in drastic fall in debt equity ratio. |
| Debt Service Coverage Ratio | 2.25 | 0.59 | 213% | During Current Financial year Company's PAT has been increased as comparing last Financial year resulting in increased in the said ratio. |
| Return on Equity Ratio | 0.12 | -0.18 | 165% | During Current Financial year Company's PAT has been increased as comparing last Financial year resulting in increased in the said ratio. |
| Inventory turnover ratio | 5.34 | 4.82 | 11% | Due to Increase in turnover there is resulting in increase in the said ratio. |
| Trade Receivables turnover ratio | 4.45 | 3.20 | 39% | Due to Increase in turnover there is resulting in increase in the said ratio. |
| Trade payables turnover ratio | 6.92 | 3.19 | 96% | Due to Increase in turnover there is resulting in increase in the said ratio. |
| Net capital turnover ratio | 3.53 | 12.28 | -71% | During current financial year Company's PAT has been increased as comparing last financial year resulting in increase in the said ratio. |
| Net profit ratio | 0.0437 | -0.04 | 96% | During current financial year Company's PAT has been increased as comparing last financial year resulting in increase in the said ratio. |

| RATIO | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 | % CHANGE FROM LAST YEAR | Explanation for Change in Ratio (for more than 25% in comparison with last year) |
|----------------------------|--------------------------------|--------------------------------|-------------------------------|--|
| Return on Capital employed | 0.12 | -0.02 | -618% | During current financial year Company's PAT has been increased as comparing last financial year resulting in increase in the said ratio. |
| Return on investment | NA | NA | NA | NA |

DISCLOSURE OF ACCOUNTING TREATMENT:

The financial statements of the Company have been prepared in accordance with Accounting Standard ("AS") notified under the Companies (Accounting Standards) Rules, 2021 read with section 133 of the Companies Act, 2013.

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 realized. The actual results may different 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.

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

For and on behalf of Board of Directors
For, **Inflamm Appliances Limited**
CIN: L74999HP2017PLC006778

Corporate Office: Village Bagwali,
Khasra No. 40/14-15-16-17/1,
Block - Raipur Rani, Nh-73,
Panchkula-134202.

Aditya Kaushik
Chairman and Managing Director
DIN 06790052

Date : August 02, 2023
Place : Panchkula

ANNEXURE – D

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended March 31, 2023

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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, 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.

We 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, 2023 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;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- vi. Revised Secretarial Standards issued by The Institute of Company Secretaries of India;

The company being engaged in the Business of Manufacturing of Kitchen Appliances.

We further report that, having regard to the compliance system prevailing in the Company, We have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances of the following law specifically applicable to company:-

- i. Applicable BIS Standards for various categories of production process.

During the year under the report, the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time issued for compliances under the pandemic situation, have been complied with by the Company.

The Company has maintained internally structured digital database in Digital Software for FY 2022-23 with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015. However, majority of UPSI Sharing Entries have been entered delayed in the software. We had relied on the certificates submitted by the company in this regard and accordingly company has complied with the requirements of the said regulations.

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, 2021;
- iv. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and circulars/ guidelines/Amendments issued there under;
- v. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- vii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We 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.

Since none of the members have communicated dissenting views in the matters / agenda proposed from time to time for consideration of the Board and Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

We 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.

We further report that during the Audit period the Company has:

- a) During the year under review, vide Special Resolution passed by the Members through postal ballot on June 29, 2022, the authorized share capital of the Company have been increased from Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 Equity Shares of Rs. 10/- each to Rs.10,50,00,000/- (Rupees Ten Crore Fifty Lakhs Only) divided into 1,05,00,000 Equity Shares of Rs. 10/- each.
- b) During the year under review, vide Special Resolution passed by the Members through postal ballot on June 29, 2022, the Members passed the Special resolution to create, issue, offer and allot Upto 6,66,000 Equity Shares at an Issue price of Rs. 382/- Per Equity Share (including a share premium of Rs. 372 Per Equity Share) aggregating to Rs.25,44,12,000/- on Preferential Basis to Non Promoter/Public.
- c) On receipt of In-Principle Approval dated June 23, 2022 from BSE Limited and On receipt of funds from Proposed Allottees 6,61,000 Equity Shares of face value of Rs.10/- each for cash at a price of Rs.382/- per equity shares (including premium of Rs.372 per equity Share) were allotted in Board Meeting held on July 9, 2022 to Non Promoter/Public Category Shareholder.
- d) Further during the financial year 2022-23 remaining 30,000 warrants out of total 3,80,000 warrants (Issued and allotted in FY 2020-21) were converted into 30,000 Equity Shares of face value of Rs. 10 each on September 02, 2022 upon receipt of written Notice & balance 75% of issue price from remaining two warrant holder.
- e) Company applied for Listing Approval for 30,000 Equity Shares allotted on Preferential Issue Basis on July 09, 2022 and received Listing Approval from BSE Limited on July 19, 2022 & Trading Approval received as on October 12, 2022 from BSE.
- f) Sitting Fees of Independent Director is less than Sitting Fees paid to other Independent Directors of the company.

Place : Ahmedabad
Date : August 02, 2023

For **SCS and Co. LLP**
Company Secretaries
Firm Registration Number: - L2020GJ008700
Peer Review Number: - 1677/2022

Anjali Sangtani
Partner
ACS No.: 41942, **C P No.:** 23630
UDIN: A041942E000721962

Note: This Report is to be read with our letter of even date which is annexed as Annexure 1 and Annexure 1 forms an integral part of this report.

Annexure 1

To,
The Members,
INFLAME APPLIANCES LIMITED
Khewat Khatoni No. 45/45,
Khasra No. 942/855/1 Village Kalyanpur
Tehsil-Baddi Baddi Solan-173205,
Himachal Pradesh.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices followed by us provide a reasonable basis for our opinion.
3. We 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. Our examination was limited to verification of procedures on test basis.
5. Wherever required, we 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.

Place : Ahmedabad
Date : August 02, 2023

For **SCS and Co. LLP**
Company Secretaries
Firm Registration Number: - L2020GJ008700
Peer Review Number: - 1677/2022

Anjali Sangtani
Partner
ACS No.: 41942, **C P No.:** 23630
UDIN: A041942E000721962

INDEPENDENT AUDITOR'S REPORT

To the Members of
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 2023, 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, 2023, and its profits, 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.

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 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 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, 2020 ("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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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, 2023 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.
 - iv.
 - a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - v. During the year company has neither paid any interim dividend nor proposed any final dividend
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

FOR **GANDHI MINOCHA & CO**
CHARTERED ACCOUNTANTS
FRN: 000458N

(GOURAV CHHIBERR)
PARTNER
M.No.: 513968

UDIN: 23513968BGRHQW2268

PLACE : PANCHKULA
DATED : 24.05.2023

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 Inflame Appliances Limited on the financial statement of year ended 31st March, 2023).

- i. a. A. The Company has generally maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company has generally maintained proper records showing full particulars of Intangible assets.
- b. The Company is having a regular programme of physical verification of all Property, Plant and Equipment having substantial value, every year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In our opinion and as per information and explanation given by the management discrepancies observed were not material and have been appropriately accounted for in the books.
- c. According to the information and explanations given to us, we report that, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statement are held in the name of the Company.
- d. The Company has not revalued its Property, Plant and Equipment and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- e. According to the information and explanations given to us, there are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate.
According to the information and explanations given to us, no material discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.
- (b) In our opinion and according to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from a bank on the basis of security of current assets. However, on pursuance of documents submitted to us the quarterly returns or statements filed by the company with such banks are not in agreement with the books of account of the Company.
- iii. 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 neither made any investments, nor provided guarantee or security but has granted advances in the nature of loans, secured or unsecured, to companies.
 - a) A) Since, the company has not provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to subsidiaries, joint ventures and associates, and hence, the relevant clause is not applicable.
 - B) As per information and explanation given to us the details of loan given to parties other than of subsidiaries and associates is as under:-

| Particulars | Aggregate amount granted/provided during the year (in Lacs) | Balance outstanding as at balance sheet date in respect of above cases (in Lacs.) |
|--|---|---|
| Loan to other than Subsidiaries & Associates | 165 | 165.97* |

* includes interest accrued thereon

- b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of loans provided by the company are, prima facie, not prejudicial to the company's interest.
- c) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that in respect of loans, the schedule of repayment of principal and

payment of interest has been stipulated and the receipts of interest is regular, where it is due. For repayment of principal, moratorium has been given and no repayment is due during the year.

- d) According to the information and explanations given to us and based on the audit procedures performed by us, no amount of loan is overdue for a period of more than 90 days.
- e) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. 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 complied with the provisions of Section 185 and 186 of Companies Act 2013 in respect of loans granted during the year.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits or amount which deemed to be deposits. As such, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.

No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act read with Companies (Cost Records & Audit) Rules, 2014, as amended and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. (a) According to records of the Company and information and explanation given to us the Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to information and explanation given to us there are no outstanding statutory dues as referred above as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- (b) According to records of the Company and information and explanation given to us the Company, the gross statutory dues of income tax or sale tax or service tax or duty of custom or duty of excise or value added tax or cess or Goods and Service Tax and any other statutory dues which have not been deposited on account of dispute or deposited under protest and the forum where the dispute is pending are given below:

| Sl. No. | Name of Statute | Nature of the Dues | Period to which the amount relates | Forum where the dispute is pending | Gross disputed amount (Rs. in Lacs) | Amount deposited under protest/ appeal (Rs. in Lacs) | Amount not deposited (Rs. in Lacs) |
|---------|-----------------|----------------------|------------------------------------|------------------------------------|-------------------------------------|--|------------------------------------|
| 1 | Income Tax | Income tax/ interest | 2018-19 | CPC | 24.36 | 0 | 24.36 |

- viii. In our opinion and according to the information and explanations given to us, the Company has not surrendered or disclosed as income, any transaction not recorded in the books of account, during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted except in the initial period of this financial year there is temporary irregularity in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis, have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us the company does not have subsidiaries, associates and joint ventures. Accordingly, provisions of clause 3(ix)(e) of the order is not applicable.
- (f) According to the information and explanations given to us the company does not have subsidiaries, associates and joint ventures. Accordingly, provisions of clause 3(ix)(f) of the order is not applicable.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, provisions of clause 3(x)(a) of the order are not applicable.
- (b) In our opinion and according to the information and explanations given to us the company has made private placement of shares on preferential basis during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised that is for repayment of borrowing of the company, capital expenditure and other Working Capital requirements of the company. However, company has not issued any or convertible debentures (fully, partially or optionally convertible) during the year under consideration.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year. Accordingly, Provisions of clause 3(xi)(c) of the Act are not applicable.
- xii. The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii. In our opinion, the Company has complied with provisions of sections 177 and 188 of Companies Act, 2013 in respect of transactions with the related parties and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Auditors reports of the company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable.
- xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause (xvi)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) According to the information and explanations given to us the company does not have subsidiaries, associates and joint ventures and other entities as defined in the Core Investment Companies (Reserve Bank) Directions, as such there is no group and accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.
- xvii. Based on our examination of the books and records of the Company, the Company has not incurred cash losses in the financial year. However, there is cash loss of Rs. 39.59 lacs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information

accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report and that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. The company was not required to spend expenditure on Corporate Social responsibility under section 135 of the Act. Hence reporting requirement under clause 20(xx)(a) and (b) of the order are not applicable.

FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
FRN: 000458N

(GOURAV CHHIBBERR)
PARTNER

PLACE : PANCHKULA
DATED : 24.05.2023

M.No.: 513968
UDIN: 23513968BGRHQW2268

BALANCE SHEET

AS AT 31.03.2023

₹ in thousands

| PARTICULARS | NOTE NO. | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|---|----------|--------------------------|-------------------|--------------------------|------------|
| I. EQUITY AND LIABILITIES | | | | | |
| (1) SHAREHOLDERS' FUNDS | | | | | |
| (a) SHARE CAPITAL | '2' | 73,410.00 | | 66,500.00 | |
| (b) RESERVES & SURPLUS | '3' | 339,913.00 | | 75,213.49 | |
| (c) MONEY RECEIVED AGAINST SHARE WARRANTS | '3A' | - | 413,323.00 | 1,350.00 | 143,063.49 |
| (2) SHARE APPLICATION MONEY PENDING ALLOTMENT | | | - | - | - |
| (3) NON-CURRENT LIABILITIES | | | | | |
| (a) LONG TERM BORROWING | '4' | 85,739.76 | | 38,116.69 | |
| (b) OTHER LONG TERM LIABILITIES | '5' | - | | - | |
| (c) LONG-TERM PROVISIONS | '6' | 1,694.68 | 87,434.44 | 1,188.33 | 39,305.02 |
| (4) CURRENT LIABILITIES | | | | | |
| (a) SHORT-TERM BORROWING | '7' | 186,679.28 | | 97,385.67 | |
| (b) TRADEPAYABLES | '8' | 109,519.43 | | 88,414.02 | |
| (c) OTHER CURRENT LIABILITIES | '9' | 29,380.38 | | 21,372.87 | |
| (d) SHORT-TERM PROVISIONS | '10' | 21.32 | 325,600.41 | 4.90 | 207,177.45 |
| TOTAL | | | 826,357.84 | 389,545.96 | |
| II. ASSETS | | | | | |
| (1) NON-CURRENT ASSETS | | | | | |
| (a) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS | | | | | |
| (i) PROPERTY PLANT AND EQUIPMENT | '11' | 125,139.93 | | 94,748.11 | |
| (ii) INTANGIBLE ASSETS | '11' | 5,686.38 | | 9,579.77 | |
| (iii) CAPITAL WORK-IN-PROGRESS | '11' | 127,354.36 | | 11,185.85 | |
| (iv) INTANGIBLE ASSETS UNDER DEVELOPMENT | '11' | 1,385.58 | | 539.16 | |
| (b) NON-CURRENT INVESTMENTS | | - | | - | |
| (c) DEFERRED TAX ASSETS (NET) | '12' | 19,542.57 | | 30,592.70 | |
| (c) LONG TERM LOANS AND ADVANCES | '13' | 439.68 | | 439.68 | |
| (d) OTHER NON-CURRENT ASSETS | '14' | 1,919.53 | 281,468.02 | 3,037.82 | 150,123.08 |
| (2) CURRENT ASSETS | | | | | |
| (a) INVENTORIES | '15' | 161,125.71 | | 67,148.77 | |
| (b) TRADE RECEIVABLES | '16' | 229,815.08 | | 118,026.31 | |
| (c) CASH & CASH EQUIVALENTS | '17' | 87,067.49 | | 5,467.06 | |
| (d) SHORT TERM LOANS & ADVANCES | '18' | 32,753.66 | | 2,209.26 | |
| (e) OTHER CURRENT ASSETS | '19' | 34,127.87 | 544,889.82 | 46,571.48 | 239,422.88 |
| TOTAL | | | 826,357.84 | 389,545.96 | |

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 ANNEXED

For and on the behalf of Board of Directors

**FOR GANDHI MINOCHA & CO.,
CHARTERED ACCOUNTANTS,
F.R.N. 000458N**

**ADITYA KAUSHIK
(MANAGING DIRECTOR)
(DIN - 06790052)**

**ASHWANI KUMAR GOEL
(WHOLE TIME DIRECTOR)
(DIN - 08621161)**

**(GOURAV CHHIBBERR)
PARTNER
M.NO. 513968
UDIN: 23513968BGRHQW2268**

**AMIT KAUSHIK
(CEO / CFO)**

**ZALAK SHAH
(COMPANY SECRETARY)**

**PLACE : PANCHKULA
DATE : 24.05.2023**

PROFIT & LOSS STATEMENT FOR THE YEAR ENDING ON 31.03.2023

₹ in thousands

| PARTICULARS | NOTE NO. | FIGURES AS AT 31.03.2023 (AUDITED) | FIGURES AS AT 31.03.2022 (AUDITED) |
|---|----------|--|--|
| I. REVENUE FROM OPERATIONS | '20' | 773,595.54 | 396,170.52 |
| II. OTHER INCOME | '21' | 6,438.22 | 1,047.80 |
| III. TOTAL INCOME (I+II) | | 780,033.76 | 397,218.32 |
| IV. EXPENSES: | | | |
| COST OF MATERIALS CONSUMED | '22' | 586,874.63 | 288,984.19 |
| CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS | '23' | (32,439.16) | 10,962.55 |
| EMPLOYEE BENEFITS EXPENSE | '24' | 68,131.36 | 47,843.83 |
| FINANCE COSTS | '25' | 20,967.63 | 17,219.62 |
| DEPRECIATION AND AMORTIZATION EXPENSE | '11' | 22,394.07 | 18,066.04 |
| OTHER EXPENSES | '26' | 51,155.20 | 34,402.87 |
| CSR EXPENSE | | - | - |
| TOTAL EXPENSES | | 717,083.72 | 417,479.08 |
| V. PROFIT BEFORE EXCEPTIONAL & EXTRA ORDINARY ITEMS & TAX (III - IV) | | 62,950.04 | (20,260.76) |
| VI. EXCEPTIONAL ITEMS | | - | - |
| VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI) | | 62,950.04 | (20,260.76) |
| VIII. EXTRAORDINARY ITEMS | '27' | 18,903.93 | 1,785.20 |
| IX. PROFIT BEFORE TAX (VII - VIII) | | 44,046.11 | (22,045.96) |
| X. TAX EXPENSE: | | | |
| (1) CURRENT TAX | | 616.18 | - |
| (2) DEFERRED TAX :- ASSET/LIABILITY | | (11,050.13) | (5,575.41) |
| (3) EXCESS/(SHORT) PROVISION OF TAX RELATING TO EARLIER YEAR | | - | - |
| XI. PROFIT (LOSS) FOR THE PERIOD (IX-X) | | 32,379.80 | (16,470.55) |
| EARNING PER SHARE | | 4.54 | -2.64 |
| DILUTED EARNING PER SHARE | | 4.54 | -2.63 |
| 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 ANNEXED**

**FOR GANDHI MINOCHA & CO.,
CHARTERED ACCOUNTANTS,
F.R.N. 000458N**

**(GOURAV CHHIBBERR)
PARTNER**

M.NO. 513968

UDIN: 23513968BGRHQW2268

PLACE : PANCHKULA

DATE : 24.05.2023

For and on the behalf of Board of Directors

**ADITYA KAUSHIK
(MANAGING DIRECTOR)
(DIN - 06790052)**

**ASHWANI KUMAR GOEL
(WHOLE TIME DIRECTOR)
(DIN - 08621161)**

**AMIT KAUSHIK
(CEO / CFO)**

**ZALAK SHAH
(COMPANY SECRETARY)**

CASH FLOW STATEMENT

FOR THE YEAR ENDING ON 31.03.2023

₹ in thousands

| PARTICULARS | FIGURES AS AT 2022-23 | | FIGURES AS AT 2021-22 | |
|--|-----------------------|---------------------|-----------------------|--------------------|
| | Rs. | Rs. | Rs. | Rs. |
| PART - I - CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM | | 62,950.04 | | (20,260.76) |
| ADD/LESS: NON CASH ITEMS AND ITEMS CONSIDERED SEPERATELY: | | | | |
| DEPRECIATION AND AMORTISATION EXPENSE | 22,394.07 | | 18,066.04 | |
| AMORTIZATION OF PRELIMINARY EXPENSES | 1,411.42 | | 1,411.42 | |
| INTEREST EXPENSES | 21,211.71 | | 15,647.68 | |
| INTEREST INCOME | (4,250.09) | | (465.93) | |
| | | 40,767.10 | | 34,659.20 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 103,717.14 | | 14,398.44 |
| ADJUSTMENTS FOR WORKING CAPITAL CHANGES: | | | | |
| (INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES | (111,788.77) | | 11,279.36 | |
| (INCREASE)/DECREASE IN INVENTORIES | (93,976.94) | | 7,753.97 | |
| (INCREASE)/DECREASE IN OTHER CURRENT ASSETS | 11,845.26 | | (36,030.14) | |
| (INCREASE)/DECREASE IN SHORT TERM LOAN AND ADVANCES | (30,544.40) | | 3,340.60 | |
| INCREASE/(DECREASE) IN TRADE PAYABLES | 21,105.41 | | (19,794.75) | |
| INCREASE/(DECREASE) OTHER CURRENT LIABILITIES | 8,007.52 | | 8,451.16 | |
| INCREASE/(DECREASE) SHORT TERM BORROWINGS | 89,293.61 | | (1,682.40) | |
| INCREASE/(DECREASE) SHORT TERM PROVISION | 16.42 | | - | |
| INCREASE/(DECREASE) OTHER LONG TERM LIABILITIES | - | | (31,051.70) | |
| INCREASE/(DECREASE) OTHER LONG TERM PROVISION | 506.35 | | (218.73) | |
| (INCREASE)/DECREASE IN LONG TERM LOAN AND ADVANCES | - | | - | |
| (INCREASE)/DECREASE IN OTHER NON CURRENT ASSETS | (362.00) | | (93.87) | |
| | | (105,897.55) | | (58,046.51) |
| CASH GENERATED FROM OPERATIONS | | (2,180.41) | | (43,648.06) |
| INCOME TAX PAID | | 616.18 | | - |
| EXCESS/SHORT PROVISION | | - | | - |
| CASH FLOW BEFORE EXTRAORDINARY ITEM | | (2,796.59) | | (43,648.06) |
| ANY EXTRAORDINARY ITEM (PAYMENTS)/RECEIPTS | | (18,903.93) | | 1,785.20 |
| NET CASH FROM/(TO) OPERATING ACTIVITIES (A) | | (21,700.51) | | (45,433.26) |
| PART - II CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| PURCHASE OF FIXED ASSETS | (168,045.21) | | (26,695.46) | |
| SALE/ADJUSTMENTS OF FIXED ASSETS | 2,805.00 | | 7,559.01 | |
| INTEREST RECEIVE ON FDR | 4,250.09 | | 465.93 | |
| DECREASE/(INCREASE) FIXED DEPOSIT WITH BANK | (80,097.09) | | 12,737.90 | |
| | | (241,087.20) | | (5,932.62) |
| NET CASH FROM/(TO) INVESTING ACTIVITIES (B) | | (241,087.20) | | (5,932.62) |
| PART - III CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| PROCEEDS FROM SECURED LOANS | 59,552.44 | | 4,661.60 | |
| REPAYMENT OF UNSECURED LOANS | (11,929.38) | | (55,887.97) | |
| PROCEEDS FROM EQUITY SHARES | 6,910.00 | | 6,500.00 | |
| PROCEEDS FROM SHARE WARRANTS | (1,350.00) | | 1,350.00 | |
| SECURITY PREMIUM RECEIVED ON EQUITY SHARES | 232,319.71 | | 109,711.77 | |
| INTEREST EXPENSES | (21,211.71) | | (15,647.68) | |
| | | 264,291.06 | | 50,687.72 |
| NET CASH FLOW FROM FINANCING ACTIVITIES | | 264,291.06 | | 50,687.72 |
| NET CHANGE IN CASH AND CASH EQUIVALENT | | 1,503.35 | | (678.16) |
| OPENING CASH AND CASH EQUIVALENTS | | 141.65 | | 819.81 |
| CLOSING CASH AND CASH EQUIVALENTS | | 1,644.99 | | 141.65 |
| CHANGE IN CASH AND CASH EQUIVALENTS | | 1,503.34 | | (678.16) |

CERTIFIED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ANNEXED

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

(GOURAV CHHIBBERR)
PARTNER
M.NO. 513968
UDIN: 23513968BGRHQW2268

PLACE : PANCHKULA
DATE : 24.05.2023

For and on the behalf of Board of Directors

ADITYA KAUSHIK
(MANAGING DIRECTOR)
(DIN - 06790052)

ASHWANI KUMAR GOEL
(WHOLE TIME DIRECTOR)
(DIN - 08621161)

AMIT KAUSHIK
(CEO / CFO)

ZALAK SHAH
(COMPANY SECRETARY)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - I - 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 recognized in the periods in which the results are known/materialize.

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 capitalized 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 Rs. 10000/-. Intangible assets are amortized 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 Rs. 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 recognized 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 |

VII. Revenue recognition:

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will flow to the company. Revenue from sale of goods is recognized 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 finalization 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 therefrom are adjusted to the Profit & Loss Account.

X. Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition of a qualifying asset is capitalized 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 recognized 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

NOTE - 2 - SHARE CAPITAL

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|--|--------------------------|------------------|--------------------------|------------------|
| I. EQUITY AND LIABILITIES | | | | |
| AUTHORISED SHARE CAPITAL | | | | |
| 1,05,00,000(70,00,000)EQUITY SHARES OF RS. 10/- EACH | 105,000.00 | 105,000.00 | 70,000.00 | 70,000.00 |
| ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL | | | | |
| 73,41,000(66,50,000)EQUITY SHARES OF RS 10/- EACH | | | | |
| EACH FULLY PAID UP | 73,410.00 | 73,410.00 | 66,500.00 | 66,500.00 |
| TOTAL (RS.) | | 73,410.00 | | 66,500.00 |

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

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|--|--------------------------|------------------|--------------------------|------------------|
| EQUITY SHARES AT THE BEGINNING OF THE YEAR | | 6,650,000 | | 6,000,000 |
| ADD: EQUITY SHARES ALLOTTED | | 691,000 | | 650,000 |
| EQUITY SHARES AT THE END OF THE YEAR | | 7,341,000 | | 6,650,000 |

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.
- 3) THE COMPANY HAS ISSUED 6,91,000/- EQUITY SHARES OF FV 10/- EACH ON PREFERENTIAL BASIS TO NON PROMOTERS/PUBLIC CATEGORY SHAREHOLDERS OF THE COMPANY.

C) DETAILS OF SHAREHOLDING EXCEEDING 5% BY INDIVIDUAL SHAREHOLDER AT YEAR END:

(No. of shares are in absolute number)

| NAME OF SHARE HOLDER | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|----------------------|--------------------------|------------------|--------------------------|------------------|
| | NUMBER OF SHARES | % AGE OF HOLDING | NUMBER OF SHARES | % AGE OF HOLDING |
| ADITYA KAUSHIK | 3013400 | 41.05% | 3013400 | 45.31% |
| ASHWANIKUMARGOEL | 350000 | 4.77% | 350000 | 5.26% |

D) DETAILS OF SHARES ISSUED ALLOTTED AS FULLY PAID-UP BY WAY OF BONUS SHARES

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 IN FY 2018-19.

E) DETAILS OF SHAREHOLDINGS OF PROMOTERS

(No. of shares are in absolute number)

| NAME OF PROMOTER | NO. OF SHARES | | % OF TOTAL | % CHANGE |
|------------------|--------------------------|--------------------------|------------------------|----------|
| | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 | SHARES IN CURRENT YEAR | |
| ADITYA KAUSHIK | 3013400.00 | 3013400.00 | 41.05% | NIL |
| DINESH KAUSHIK | 150600.00 | 150600.00 | 2.05% | NIL |
| USHA KAUSHIK | 7200.00 | 7200.00 | 0.10% | NIL |
| AMIT KAUSHIK | 7200.00 | 7200.00 | 0.10% | NIL |
| ANITA KAUSHIK | 7200.00 | 7200.00 | 0.10% | NIL |
| RUCHI KAUSHIK | 7200.00 | 7200.00 | 0.10% | NIL |
| ANEESHA KAUSHIK | 7200.00 | 7200.00 | 0.10% | NIL |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 3 - RESERVES & SURPLUS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|---|--------------------------|-------------------|--------------------------|------------------|
| SECURITY PREMIUM RESERVE: | | | | |
| OPENING BALANCE | 145,268.77 | | 35,557.00 | |
| ADD: MONEY RECEIVED FROM PREFERENTIAL EQUITY SHARES | 250,992.00 | | 110,500.00 | |
| LESS:- SHARE ISSUE EXPENSES WRITTEN OFF | 18,672.29 | 377,588.48 | 788.23 | 145,268.77 |
| STATEMENT OF PROFIT AND LOSS: | | | | |
| OPENING BALANCE | (70,055.28) | | (53,584.73) | |
| ADD: PROFIT/ (LOSS) FOR THE YEAR | 32,379.80 | (37,675.48) | (16,470.55) | (70,055.28) |
| TOTAL(RS.) | | 339,913.00 | | 75,213.49 |

NOTE - 3A - MONEY RECEIVED AGAINST SHARE WARRANTS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|---------------------------------------|--------------------------|----------|--------------------------|-----------------|
| MONEY RECEIVED AGAINST SHARE WARRANTS | | - | | 1,350.00 |
| TOTAL(RS.) | | - | | 1,350.00 |

NOTE - 4 - LONG TERM BORROWING

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|---|--------------------------|------------------|--------------------------|------------------|
| SECURED LOANS | | | | |
| HDFC CAR LOAN (CRETA) ² | 494.30 | | 737.56 | |
| HDFC EEG- WC TERM LOAN ³ | 9,307.34 | | 10,568.17 | |
| HDFC GECL LOAN ³ | 1,031.35 | | 4,749.95 | |
| ICICI BANK CAR LOAN (SWIFT) ⁷ | 271.92 | | 404.69 | |
| IDFC BANK GECL LOAN ⁶ | 62.28 | | 202.36 | |
| IDFC FIRST BANK LOAN ⁸ | - | | 97.93 | |
| LOAN FROM TATA CAPITAL FINANCIAL SERVICES (LTLR) ¹¹ | 1,300.00 | | 1,300.00 | |
| LOAN FROM TATA CAPITAL FINANCIAL SERVICES (140.00) ¹¹ | - | | 2,074.08 | |
| LOAN FROM TATA CAPITAL FINANCIAL SERVICES (23.00) ¹¹ | - | | 340.94 | |
| TATA CAPITAL GI LOAN ¹¹ | - | | 573.08 | |
| MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD ¹² | - | | 166.76 | |
| TATA CAPITAL GECL LOAN ¹³ | 469.87 | | 1,274.59 | |
| TATA CAPITAL TERM LOAN ¹⁴ | - | | 1,680.52 | |
| TATA CAPITAL TOP UP LOAN ¹⁵ | - | | 959.22 | |
| HDFC BREZZA CAR LOAN (131861887) ¹⁸ | 368.46 | | - | |
| HDFC TERM LOAN (86886636) ³ | 12,343.95 | | - | |
| HDFC ROYAL ENFIELD LOAN ¹⁹ | 110.64 | | - | |
| INNOVA CRYSTA LOAN ²⁰ | 1,340.05 | | - | |
| LOAN FROM TATA CAPITAL FINANCIAL SERVICE (21849289) ¹¹ | 2,079.60 | | - | |
| HDFC VEHICAL LOAN PICKUP ²¹ | 481.50 | | | |
| CAR LOAN KIA ²² | 1,692.70 | | | |
| HDFC LOAN A/C ³ | 53,328.34 | 84,682.28 | - | 25,129.84 |
| UNSECURED LOAN ²³ | | | | |
| MR. ASHWANI GOEL | 1,057.47 | 1,057.47 | 12,986.85 | 12,986.85 |
| TOTAL(RS.) | | 85,739.76 | | 38,116.69 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 4 - LONG TERM BORROWING (Contd.....)

2. 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 7.24% PAYABLE IN 48 EMIs.
3. CREDIT FACILITIES BY HDFC BANK LTD. CARRYING ROI @ 9.15%, IS SECURED AGAINST HYPOTHETICATION OF BUILDING CONSTRUCTION & MACHINERY, STOCK, DEBTORS, CASH MARGIN FOR LC, BG, PERSONAL GUARANTEE OF THE PROMOTERS AND ALL COLLATERAL CONFIRMED LC BACKED BY DISCOUNTING, PERSONAL GUARANTEE OF THE PROMOTERS AND COLLATERAL OWNERS, FDR OF LC LIMIT OF 680 LACS, INDUSTRIAL PROPERTY, FDR AS DSRA FOR NEW TERM LOAN, INDUSTRIAL CONFIRMED LC BACKED BILLS FOR DISCOUNTING, PROPERTY AT 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 AND INDUSTRIA PROPERTY AT PLOT NO 10 AND 21 TELANGANA IP EMC MAHESHWARAM 500076 RANGAREDDY DISTRICT.
6. 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.
7. 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.
8. LOAN FROM IDFC FIRST BANK IS PAYABLE IN 48 EQUAL INSTALLMENTS.
11. 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.
12. 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.
13. 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 9.25% REPAYABLE IN 4 YEARS.
14. TERM LOAN FROM TATA CAPITAL CARRYING ROI OF 10.5(FLOATING)% PER ANNUM.
15. TATA CAPITAL TOP UP LOAN CARRYING ROI OF 10.5(FLOATING)% PER ANNUM.
18. BREEZA CAR LAON FROM HDFC BANK LTD IS SECURED BY HPOTHECATION AGAINST BREZZA CAR CARRYING ROI 8.19% PER ANNUM IN TOTAL 40 INSTALLMENTS.
19. ROYAL ENFILED LOAN FROM HDFC BANK IS SECURED BY HYPOTHECATION AGAINST ROYAL ENFIELD BIKE CARRYING ROI 15.75% PER ANNUM IN TOTAL 36 INSTALLMENTS.
20. INNOVA CRYSTA LOAN FROM YES BANK IS SECURED BY HYPOTHECATION OF INNOVA CRYSTA CARRYING ROI 8.37% PER ANNUM IN TOTAL 48 INSTALLMENTS.
21. MAHINDRA VEHICLE PICKUP FROM HDFC BANK IS SECURED BY HYPOTHECATION OF MAHINDRA VEHICAL PICKUP CARRYING ROI 8.51% PER ANNUM IN TOTAL 48 INSTALLMENTS.
22. KIA SELTOS CAR LAON FROM UNION BANK OF INDIA IS SECURED BY HPOTHECATION AGAINST BREZZA CAR CARRYING ROI 8.50% PER ANNUM PAYABLE IN TOTAL 84 INSTALLMENTS.
23. 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.

NOTE - 5 - OTHER LONG TERM LIABILITIES

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|---------------------------------|--------------------------|---|--------------------------|---|
| CREDITOR AGAINST CAPITAL GOODS* | | - | | - |
| TOTAL(RS.) | | - | | - |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 6 - LONG TERM PROVISIONS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|------------------------|--------------------------|-----------------|--------------------------|-----------------|
| PROVISION FOR GRATUITY | | 1,694.68 | | 1,188.33 |
| TOTAL(RS.) | | 1,694.68 | | 1,188.33 |

NOTE - 7 - SHORT TERM BORROWINGS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|--|--------------------------|-------------------|--------------------------|------------------|
| CASH CREDITS AND BANK OVERDRAFTS | | | | |
| HDFC BANK LTD(4547) ¹⁷ | | 54,784.54 | | 68,924.90 |
| LC DISCOUNTED WITH BANK | | 109,977.77 | | 9,141.82 |
| CURRENT MATURITIES OF LONG TERM BORROWINGS | | | | |
| CAR LOAN BMW (BMW FINANCIAL SERVICES) ¹ | - | | 550.27 | |
| HDFC CAR LOAN(CRETA) ² | 243.25 | | 226.29 | |
| CAR LOAN i10 GRAND (YES BANK) ³ | - | | 15.97 | |
| HDFC EEG- WC TERM LOAN ¹⁷ | 1,323.50 | | 931.83 | |
| HDFC GECL LOAN ⁶ | 3,500.95 | | 3,235.94 | |
| ICICI BANK CAR LOAN (SWIFT) ⁷ | 132.78 | | 122.84 | |
| IDFC BANK GECL LOAN ⁸ | 140.08 | | 127.75 | |
| IDFC FIRST BANK LOAN ⁹ | 97.93 | | 788.42 | |
| LOAN FROM TATA CAPITAL FINANCIAL SERVICES (140.00) ¹¹ | 2,086.19 | | 3,111.24 | |
| LOAN FROM TATA CAPITAL FINANCIAL SERVICES (23.00) ¹¹ | 342.58 | | 511.32 | |
| MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD ¹² | 166.76 | | 204.27 | |
| TATA CAPITAL GECL LOAN ¹³ | 805.02 | | 805.02 | |
| TATA CAPITAL TERM LOAN ¹⁴ | 1,688.43 | | 6,722.11 | |
| TATA CAPITAL TOP UP LOAN ¹⁵ | 950.36 | | 1,745.63 | |
| TRUCK LOAN (HDFC BANK) ¹⁷ | - | | 220.05 | |
| HDFC BREZZA CAR LOAN 131861887 ¹⁸ | 198.16 | | - | |
| YES BANK INNOVA CRYSTA LOAN ²⁰ | 499.11 | | - | |
| HDFC BIKE LOAN(ROYAL ENFIELD) ¹⁹ | 69.07 | | - | |
| HDFC TERM LOAN 86886636 ²² | 1,542.66 | | - | |
| LOAN FROM TATA CAPITAL FINANCIAL SERVICES (21849289) ¹¹ | 798.43 | | - | |
| HDFC VEHICAL LOAN PICKUP ²¹ | 159.81 | | - | |
| TATA CAPITAL GI LOAN ¹¹ | 573.27 | | - | |
| CAR LOAN KIA ²³ | 219.17 | | - | |
| HDFC LOAN A/C ¹⁷ | 6,379.47 | 21,916.97 | - | 19,318.95 |
| TOTAL(RS.) | | 186,679.28 | | 97,385.67 |

- 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 HDFC BANK IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN AND FURTHER SECURED BY DIRECTOR'S GUARANTEE CARRYING ROI OF 7.24% PAYABLE IN 48 EMIs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 7 - SHORT TERM BORROWINGS (Contd.....)

3. CREDIT FACILITIES BY HDFC BANK LTD. CARRYING ROI @ 9.15%, IS SECURED AGAINST HYPOTHETICATION OF BUILDING CONSTRUCTION & MACHINERY, STOCK, DEBTORS, CASH MARGIN FOR LC, BG, PERSONAL GUARANTEE OF THE PROMOTERS AND ALL COLLATERAL CONFIRMED LC BACKED BY DISCOUNTING, PERSONAL GUARANTEE OF THE PROMOTERS AND COLLATERAL OWNERS, FDR OF LC LIMIT OF 680 LACS, INDUSTRIAL PROPERTY, FDR AS DSRA FOR NEW TERM LOAN, INDUSTRIAL CONFIRMED LC BACKED BILLS FOR DISCOUNTING, PROPERTY AT 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 AND INDUSTRIAL PROPERTY AT PLOT NO 10 AND 21 TELANGANA IP EMC MAHESHWARAM 500076 RANGAREDDY DISTRICT.
 6. 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.
 7. SWIFT DZIRE CAR LOAN FROM ICICI BANK IS SECURED BY HYPOTHECATION OF CAR FOR WHICH LOAN HAS BEEN TAKEN. CARRYING ROI OF 7.80% PAYABLE IN 60 EMI'S.
 8. LOAN FROM IDFC FIRST BANK IS PAYABLE IN 48 EQUAL INSTALLMENTS.
 9. LOAN FROM IDFC FIRST BANK IS PAYABLE IN 48 EQUAL INSTALLMENTS.
 11. 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.
 12. 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.
 13. 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 9.25% REPAYABLE IN 4 YEARS.
 14. TERM LOAN FROM TATA CAPITAL CARRYING ROI OF 10.5(FLOATING)% PER ANNUM.
 15. TATA CAPITAL TOP UP LOAN CARRYING ROI OF 10.5(FLOATING)% PER ANNUM.
 17. Credit Facilities BY HDFC BANK LTD. CARRYING ROI @ 9.15%, IS SECURED AGAINST HYPOTHETICATION OF BUILDING CONSTRUCTION & MACHINERY, STOCK, DEBTORS, CASH MARGIN FOR LC, BG, PERSONAL GUARANTEE OF THE PROMOTERS AND ALL COLLATERAL CONFIRMED LC BACKED BY DISCOUNTING, PERSONAL GUARANTEE OF THE PROMOTERS AND COLLATERAL OWNERS, FDR OF LC LIMIT OF 680 LACS, INDUSTRIAL PROPERTY, FDR AS DSRA FOR NEW TERM LOAN, INDUSTRIAL CONFIRMED LC BACKED BILLS FOR DISCOUNTING, PROPERTY AT 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 AND INDUSTRIAL PROPERTY AT PLOT NO 10 AND 21 TELANGANA IP EMC MAHESHWARAM 500076 RANGAREDDY DISTRICT.
 18. BREEZA CAR LAON FROM HDFC BANK LTD IS SECURED BY HPOTHECATION AGAINST BREZZA CAR CARRYING ROI 8.19% PER ANNUM IN TOTAL 40 INSTALLMENTS.
 19. ROYAL ENFIELD LOAN FROM HDFC BANK IS SECURED BY HYPOTHECATION AGAINST ROYAL ENFIELD BIKE CARRYING ROI 15.75% PER ANNUM IN TOTAL 36 INSTALLMENTS.
 20. INNOVA CRYSTA LOAN FROM YES BANK IS SECURED BY HYPOTHECATION OF INNOVA CRYSTA CARRYING ROI 8.37% PER ANNUM IN TOTAL 48 INSTALLMENTS.
 21. MAHINDRA VEHICLE PICKUP FROM HDFC BANK IS SECURED BY HYPOTHECATION OF MAHINDRA VEHICAL PICKUP CARRYING ROI 8.51% PER ANNUM IN TOTAL 48 INSTALLMENTS.
 22. HDFC TERM LOAN CARRYING ROI 7.75% PER ANNUM IN TOTAL 84 INSTALLMENTS.
 23. KIA SELTOS CAR LAON FROM UNION BANK OF INDIA IS SECURED BY HPOTHECATION AGAINST BREZZA CAR CARRYING ROI 8.50% PER ANNUM PAYABLE IN TOTAL 84 INSTALLMENTS
-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 8 - TRADE PAYABLES

₹ in thousands

| PARTICULARS | HYD | BARWALA | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|------------------------------------|------------------|------------------|--------------------------|--------------------------|
| TRADE PAYABLES | | | | |
| (REFER LIST 'I' ATTACHED) | | | | |
| (I) MSME | | | | |
| Less than 1 Year | - | 9,411.88 | 9,411.88 | 27,902.57 |
| 1 year to 2 year | - | - | - | - |
| 2 year to 3 year | - | - | - | - |
| More than 3 years | - | - | - | - |
| (II) OTHERS | | | | |
| Less than 1 Year | 19,868.63 | 61,996.76 | 81,865.39 | 35,769.87 |
| 1 year to 2 year | - | 6,298.11 | 6,298.11 | 8,116.00 |
| 2 year to 3 year | - | 11,944.05 | 11,944.05 | 16,625.57 |
| More than 3 years | - | - | - | - |
| (III) DISPUTED DUES - MSME | | | | |
| Less than 1 Year | - | - | - | - |
| 1 year to 2 year | - | - | - | - |
| 2 year to 3 year | - | - | - | - |
| More than 3 years | - | - | - | - |
| (IV) DISPUTED DUES - OTHERS | | | | |
| Less than 1 Year | - | - | - | - |
| 1 year to 2 year | - | - | - | - |
| 2 year to 3 year | - | - | - | - |
| More than 3 years | - | - | - | - |
| TOTAL(RS.) | 19,868.63 | 89,650.80 | 109,519.43 | 88,414.02 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 9 - OTHER CURRENT LIABILITIES

₹ in thousands

| PARTICULARS | HYD | BARWALA | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|--|---------------|------------------|--------------------------|------------------|--------------------------|------------------|
| INTEREST ACCRUED BUT NOT DUE | | 255.64 | | 255.64 | | 755.25 |
| ON BORROWINGS | | | | | | |
| INTEREST PROVISION FOR MSMEs | | - | | - | | 254.29 |
| CHEQUE ISSUED BUT NOT CLEARED BY BANK | | 7,899.54 | | 7,899.54 | | 5,305.13 |
| EXPENSES PAYABLE | | | | | | |
| AUDIT FEES | | 360.00 | | 360.00 | | 270.00 |
| COMMISSION | | | | - | | 1,225.33 |
| - BPCL | | - | | - | 689.56 | |
| - IOCL | | - | | - | 535.77 | |
| SALARY & WAGES | 116.08 | 1,358.62 | 1,474.69 | | 1,732.04 | |
| SALARIES TO DIRECTORS | 250.00 | 3,133.82 | 3,383.82 | | 2,974.97 | |
| BIS FEES | | 2,942.70 | 2,942.70 | | 2,942.70 | |
| GST PAYABLE | | 6,432.65 | 6,432.65 | | - | |
| TELEPHONE CHARGES | | 9.00 | 9.00 | | 7.18 | |
| ELECTRICITY CHARGES | | 807.89 | 807.89 | | 845.88 | |
| RENT | | 43.00 | 43.00 | 15,093.75 | 40.50 | 8,543.26 |
| STATUTORY DUES PAYABLE | | | | | | |
| EPFO PAYABLE | | 188.99 | 188.99 | | 69.84 | |
| ESI PAYABLE | | 43.85 | 43.85 | | 34.17 | |
| PROFESSIONAL TAX PAYABLE | 3.65 | | 3.65 | | - | |
| LABOUR WELFARE FUND | | 115.00 | 115.00 | | 243.14 | |
| TAX COLLECTED AT SOURCE | | 40.30 | 40.30 | | 35.13 | |
| TAX DEDUCTED AT SOURCE | 52.66 | 1,906.26 | 1,958.91 | 2,350.71 | 2,508.81 | 2,891.08 |
| STAFF SECURITY | | 16.00 | | 16.00 | | 16.00 |
| ADVANCES FROM CUSTOMERS (AS PER LIST "6A" ATTACHED) | | 3,404.74 | | 3,404.74 | | 2,112.53 |
| TOTAL(RS.) | 422.39 | 28,957.99 | | 29,380.38 | | 21,372.87 |

NOTE - 10 - SHORT TERM PROVISIONS

₹ in thousands

| PARTICULARS | HYD | BARWALA | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|------------------------|-----|---------|--------------------------|--------------|--------------------------|-------------|
| PROVISION FOR TAXATION | | | | 21.32 | | 4.90 |
| TOTAL(RS.) | | | | 21.32 | | 4.90 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE - 11: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

₹ in thousands

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NETBLOCK | |
|--------------------------------------|---------------------|------------------|-----------------|---------------------|-------------------------------------|-----------------------------------|-------------------|---------------------|-------------------------|-------------------------|
| | As at 01-04-2022 | Addition | Adjustment | As at 31-03-2023 | As at 01-04-2021 1 April 2022 | Depreciation For FY 2022-23 | Adjustments | As at 31-03-2023 | WDV As at 31-03-2024 | WDV As at 31-03-2022 |
| PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | | |
| Land | 20,164.84 | - | - | 20,164.84 | - | - | - | - | 20,164.84 | 20,164.84 |
| Buildings | 18,367.91 | 393.20 | - | 18,761.10 | 4,852.30 | 1,321.81 | - | 6,174.11 | 12,586.99 | 13,515.60 |
| Plant & Machinery | 96,112.87 | 38,452.37 | 3,450.00 | 131,115.24 | 45,423.60 | 12,089.98 | (1,961.18) | 55,552.41 | 75,562.83 | 50,689.26 |
| Electrical Installation | 5,843.50 | 623.81 | - | 6,467.31 | 2,461.38 | 1,197.19 | - | 3,658.58 | 2,808.73 | 3,382.11 |
| Generator | 710.00 | - | - | 710.00 | 387.56 | 58.37 | - | 445.94 | 264.06 | 322.44 |
| Fire Fighting System | 63.92 | 2,195.19 | - | 2,259.11 | 60.72 | 203.73 | - | 264.45 | 1,994.65 | 3.20 |
| Office Equipment | 418.54 | 152.23 | - | 570.77 | 201.30 | 81.50 | - | 282.80 | 287.96 | 217.24 |
| Lab Equipment | 618.54 | 29.74 | - | 648.28 | 461.30 | 47.25 | - | 508.55 | 139.73 | 157.23 |
| Water Filter | 50.10 | - | - | 50.10 | 32.22 | 4.63 | - | 36.85 | 13.25 | 17.88 |
| Air Conditioner | 570.81 | 170.62 | - | 741.42 | 497.72 | 92.41 | - | 590.14 | 151.29 | 73.08 |
| Mobile | 393.66 | 315.40 | - | 709.06 | 354.90 | 48.14 | - | 403.04 | 306.02 | 38.76 |
| Furniture & Fixtures | 2,257.76 | 1,239.48 | - | 3,497.24 | 1,329.47 | 331.09 | - | 1,660.56 | 1,836.68 | 928.29 |
| Motor Vehicles | 11,055.76 | 4,484.50 | 1,755.02 | 13,785.24 | 6,712.63 | 2,110.01 | (1,106.06) | 7,716.58 | 6,068.66 | 4,343.13 |
| CCTV | 77.52 | 354.37 | - | 431.89 | 73.64 | 120.59 | - | 194.23 | 237.65 | 3.88 |
| Computer | 2,578.45 | 495.15 | - | 3,073.61 | 1,687.28 | 661.49 | - | 2,348.78 | 724.83 | 891.17 |
| | 159,284.15 | 48,906.07 | 5,205.02 | 202,985.20 | 64,536.04 | 18,368.22 | (3,067.24) | 79,837.02 | 123,148.19 | 94,748.11 |
| HYD BRANCH | | | | | | | | | | |
| PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | | |
| Mobile | - | 207.60 | - | 207.60 | - | 109.11 | - | 109.11 | 98.49 | - |
| Vehicles | - | 2,228.95 | - | 2,228.95 | - | 335.70 | - | 335.70 | 1,893.25 | - |
| TOTAL (RS.) | - | 2,436.55 | - | 2,436.55 | - | 444.81 | - | 444.81 | 1,991.74 | - |
| LESS: TRF TO CWIP | - | - | - | - | - | 355.85 | - | - | - | - |
| | - | 2,436.55 | - | 2,436.55 | - | 88.96 | - | 444.81 | 1,991.74 | - |
| CAPITAL WORK-IN-PROGRESS | | | | | | | | | | |
| Factory Building | 11,185.85 | 11,258.63 | - | 22,444.48 | - | - | - | - | 22,444.48 | 11,185.85 |
| | 11,185.85 | 11,258.63 | - | 22,444.48 | - | - | - | - | 22,444.48 | 11,185.85 |
| CAPITAL WORK IN PROGRESS | | | | | | | | | | |
| Land | - | 19,149.15 | - | 19,149.15 | - | - | - | - | 19,149.15 | - |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 11: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Contd.....)

₹ in thousands

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NETBLOCK | | | |
|--------------------------|---------------------|-------------------|-----------------|---------------------|-------------------------------------|-----------------------------------|-------------------|---------------------|-------------------------|-------------------------|
| | As at 01-04-2021 | Addition | Adjustment | As at 31-03-2022 | As at 01-04-2021 1 April 2021 | Depreciation For FY 2021-22 | Adjustments | As at 31-03-2022 | WDV As at 31-03-2022 | WDV As at 31-03-2021 |
| Transformer | - | 1,227.12 | - | 1,227.12 | - | - | - | - | 1,227.12 | - |
| Plant & Machinery | - | 32,946.17 | - | 32,946.17 | - | - | - | - | 32,946.17 | - |
| Tools & Dies | - | 76.40 | - | 76.40 | - | - | - | - | 76.40 | - |
| Water Dispenser | - | 7.29 | - | 7.29 | - | - | - | - | 7.29 | - |
| UPS | - | 704.85 | - | 704.85 | - | - | - | - | 704.85 | - |
| AIR CONDITIONER | - | 388.35 | - | 388.35 | - | - | - | - | 388.35 | - |
| Furniture & Fixture | - | 227.94 | - | 227.94 | - | - | - | - | 227.94 | - |
| Borewell | - | 815.00 | - | 815.00 | - | - | - | - | 815.00 | - |
| GENERATOR | - | 28.00 | - | 28.00 | - | - | - | - | 28.00 | - |
| Factory Building | - | 40,358.39 | - | 40,358.39 | - | - | - | - | 40,358.39 | - |
| FINANCE COST | - | 1,666.93 | - | 1,666.93 | - | - | - | - | 1,666.93 | - |
| DEPRECIATION | - | 355.85 | - | 355.85 | - | - | - | - | 355.85 | - |
| OTHER EXP | - | 2,516.23 | - | 2,516.23 | - | - | - | - | 2,516.23 | - |
| SALARIES | - | 3,173.82 | - | 3,173.82 | - | - | - | - | 3,173.82 | - |
| Electrical Installation | - | 1,213.91 | - | 1,213.91 | - | - | - | - | 1,213.91 | - |
| INTANGIBLEASSETS | | | | 104,909.88 | | | | | 104,909.88 | |
| Tally 9 ERP **** | 64.90 | - | - | 64.90 | 61.66 | - | - | 61.66 | 3.25 | 3.25 |
| HR SOFTWARE | - | 43.50 | - | 43.50 | - | 2.41 | - | 2.41 | 41.09 | - |
| Lasting Software | 162.50 | - | - | 162.50 | 108.33 | 34.21 | - | 142.54 | 19.96 | 54.17 |
| Design and Development | 11,432.58 | - | - | 11,432.58 | 1,910.22 | 3,900.27 | - | 5,810.49 | 5,622.09 | 9,522.35 |
| | 11,659.98 | 43.50 | - | 11,703.48 | 2,080.21 | 3,936.89 | - | 6,017.10 | 5,686.38 | 9,579.77 |
| INTANGIBLEASSETS | | | | | | | | | | |
| UNDERDEVELOPMENT | | | | | | | | | | |
| Software (SAP) | 539.16 | 846.43 | - | 1,385.58 | - | - | - | - | 1,385.58 | 539.16 |
| | 539.16 | 846.43 | - | 1,385.58 | - | - | - | - | 1,385.58 | 539.16 |
| GRAND TOTAL (RS.) | 182,669.14 | 168,401.06 | 5,205.02 | 345,865.17 | 66,616.25 | 22,394.07 | (3,067.24) | 86,298.92 | 259,566.25 | 116,052.89 |
| PY FIGURES | 167,349.02 | 26,695.46 | (11,375.35) | 182,669.14 | 52,366.55 | 18,066.04 | (3,816.33) | 66,616.25 | 116,052.89 | 114,982.47 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 12 - DEFFERED TAX ASSET (NET)

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|---|--------------------------|--------------------------|
| DEFFERED TAX LIABILITY | | |
| FIXED ASSETS: IMPACT OF DIFFERENCE BETWEEN TAX DEPRECIATION AND DEPRECIATION CHARGED FOR THE FINANCIAL REPORTING | 1,284.32 | (716.79) |
| GROSS DEFFERED TAX LIABILITY | 1,284.32 | (716.79) |
| DEFFERED TAX ASSET | | |
| - IMPACT OF LOSS INCURRED DURING THE YEAR | 17,817.63 | 30,999.25 |
| - IMPACT OF EXPENDITURE CHARGED TO THE STATEMENT OF P&L BUT NOT ALLOWED FOR TAX PURPOSE ON PAYMENT BASIS (GRATUITY) | 440.62 | 310.24 |
| GROSS DEFFERED TAX ASSET | 18,258.24 | 31,309.49 |
| NET DEFFERED TAX ASSET (RS.) | 19,542.57 | 30,592.70 |

NOTE - 13 - LONG TERM LOANS AND ADVANCES

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|-------------------------------|--------------------------|--------------------------|
| MAT CREDIT ENTITLEMENT | 439.68 | 439.68 |
| TOTAL (RS.) | 439.68 | 439.68 |

NOTE - 14 - THER NON CURRENT ASSETS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|-----------------------------------|--------------------------|--------------------------|
| SECURITY DEPOSITS | 1,919.53 | 1,557.53 |
| PRE OPERATIVE EXPENSES | | |
| OPENING BALANCE | 1,411.42 | 2,822.83 |
| LESS: 1/5 TH TO BE WRITTEN OFF | 1,411.42 | 1,411.42 |
| PRE OPERATIVE EXPENSES UNIT- HYD. | - | 68.87 |
| TOTAL (RS.) | 1,919.53 | 3,037.82 |

NOTE - 15 - INVENTORIES

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|---------------------------------|--------------------------|--------------------------|
| RAW MATERIALS INCL. CONSUMABLES | 115,286.60 | 53,748.82 |
| WORK-IN-PROGRESS | 5,597.84 | 6,615.74 |
| FINISHED GOODS | 40,241.27 | 6,784.21 |
| TOTAL (RS.) | 6161,125.71 | 67,148.77 |

NOTE - 16 - TRADE RECEIVABLES

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|---|--------------------------|--------------------------|
| TRADE RECEIVABLES (AS PER LIST '6' ATTACHED) | | |
| (I) Undisputed Trade receivables – considered good | 229,815.08 | 118,026.3 |
| (II) Undisputed Trade Receivables – considered doubtful | - | - |
| (III) Disputed Trade Receivables considered good | - | - |
| (IV) Disputed Trade Receivables considered doubtful | - | - |
| TOTAL (RS.) | 229,815.08 | 118,026.31 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 17 - CASH & CASH EQUIVALENTS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|---------------------------------------|--------------------------|--------------------------|
| BALANCE WITH SCHEDULED BANKS : | | |
| HDFC (4722) | 11.00 | - |
| HDFC (57136) | 1,101.70 | 0.36 |
| YES BANK(0301) | - | 3.86 |
| CANARA BANK O.D. 2451261000560 | 40.09 | 100.51 |
| CASH IN HAND | 492.20 | 36.92 |
| FIXED DEPOSITS (UNDER LIEN) | | |
| HDFC FDR** | 52,322.90 | 5,325.41 |
| FIXED DEPOSITS | | |
| -HDFC BANK LTD. | | |
| FDR | 33,099.60 | - |
| TOTAL (RS.) | 87,067.49 | 5,467.06 |

** ALL FDRS ARE UNDER LIEN WITH BANKS/NBFCS

NOTE - 18 - SHORT TERM LOANS AND ADVANCES

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|---|--------------------------|--------------------------|
| ADVANCES RECOVERABLE IN CASH OR KIND (AS PER LIST '3' ATTACHED) | 634.42 | 409.16 |
| ADVANCE FOR CAPITAL GOODS (AS PER LIST '4' ATTACHED) | 15,521.60 | - |
| ADVANCE AGAINST HYDERABAD LAND | - | 1,800.11 |
| GOENKA BUSINESS FINANCE LTD | 16,597.64 | - |
| TOTAL (RS.) | 32,753.66 | 2,209.26 |

NOTE - 19 - OTHER CURRENT ASSETS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|--|--------------------------|--------------------------|
| BALANCE WITH REVENUE AUTHORITIES | | |
| DUTY DRAWBACK RECEIVABLE | - | 75.43 |
| ELECTRONIC CASH LEDGER - CGST | 0.21 | 0.21 |
| ELECTRONIC CASH LEDGER - SGST | 0.21 | 0.21 |
| GST ITC RECOVERABLE | 17,025.42 | 2,861.72 |
| TCS CREDIT - IGST | 0.03 | 0.03 |
| TDS/ TCS RECOVERABLE(A.Y. 2022-23) | 279.78 | 279.78 |
| TDS/ TCS RECOVERABLE(A.Y. 2021-22) | 76.87 | 76.87 |
| TDS/ TCS RECOVERABLE(A.Y. 2020-21) | 29.34 | 29.34 |
| TDS RECOVERABLE (A.Y. 2023-24)NET OF PROVISION | 514.05 | - |
| TDS RECOVERABLE FROM GOENKA BUSINESS | 10.85 | - |
| VAT TAX RECOVERABLE | - | 17,936.76 |
| IMPREST ACCOUNT (AS PER LIST '7' ATTACHED) | 646.30 | - |
| DIRECTORS CURRENT ACCOUNT | - | 192.71 |
| INTEREST ACCRUED ON FDR'S | 2,275.36 | 166.82 |
| MARGIN MONEY ON LC | 24.70 | 6.80 |
| PREPAID EXPENSES | | |
| INSURANCE | 291.92 | 166.59 |
| LC DISCOUNTING CHARGES | 921.07 | 73.88 |
| INSURANCE COMPANY - CLAIM RECEIVABLE | 1,201.96 | 34,072.11 |
| ADVANCES TO SUPPLIERS (AS PER LIST "IA" ATTACHED) | 10,020.98 | 8,485.76 |
| CHEQUE RECEIVED BUT NOT PRESENTED FOR PAYMENT | 808.82 | - |
| TOTAL (RS.) | 34,127.87 | 46,571.48 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 20 - REVENUE FROM OPERATIONS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|-------------------------|--------------------------|-------------------|--------------------------|-------------------|
| SALE OF PRODUCTS | | | | |
| - DOMESTIC SALES | 773,595.54 | | 384,582.89 | |
| - EXPORT SALES | - | 773,595.54 | 11,587.63 | 396,170.52 |
| TOTAL (RS.) | | 773,595.54 | | 396,170.52 |

NOTE - 21 - OTHER INCOME

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|---------------------------------------|--------------------------|-----------------|--------------------------|-----------------|
| DISCOUNT RECEIVED | 1,141.82 | | 60.33 | |
| EXCHANGE FLUCTUATION | 292.87 | | | |
| PMRPY/ABRY | 14.51 | | 305.47 | |
| DUTY DRAWBACK | - | | 75.43 | |
| INTEREST INCOME ON FIXED DEPOSIT | 4,250.09 | | 465.93 | |
| MISCELLANEOUS INCOME | 0.01 | | 70.14 | |
| PACKAGING CHARGES | 0.39 | | 70.50 | |
| INTEREST ON ADVANCE GIVEN | 108.49 | | - | |
| PROFIT ON SALE OF PLANT AND MACHINERY | 11.18 | | - | |
| PROFIT ON SALE OF VEHICLE | 618.85 | 6,438.22 | - | 1,047.80 |
| TOTAL (RS.) | | 6,438.22 | | 1,047.80 |

NOTE - 22 - COST OF MATERIALS CONSUMED

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|--|--------------------------|-------------------|--------------------------|-------------------|
| OPENING STOCK OF RAW MATERIAL | | | | |
| RAW MATERIALS | 53,748.82 | | 50,540.24 | |
| STOCK IN TRANSIT | - | 53,748.82 | - | 50,540.24 |
| ADD: PURCHASED DURING THE YEAR | | | | |
| DOMESTIC PURCHASES | 467,609.11 | | 273,560.43 | |
| IMPORT PURCHASES | 161,391.16 | | 40,467.23 | |
| FACTORY CONSUMABLES | 19,412.14 | 648,412.41 | 6,310.04 | 320,337.70 |
| LESS: LOSS OF STOCK BY FIRE | | | | 28,144.94 |
| LESS: CLOSING STOCK OF RAW MATERIAL | | | | |
| RAW MATERIALS | 115,286.60 | | 53,748.82 | |
| STOCK IN TRANSIT | - | 115,286.60 | - | 53,748.82 |
| TOTAL (RS.) | | 586,874.63 | | 288,984.19 |

NOTE - 23 - CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|--|--------------------------|--------------------|--------------------------|------------------|
| CLOSING INVENTORY | | | | |
| FINISHED GOODS | 40,241.27 | | 6,784.21 | |
| WORK-IN-PROGRESS | 5,597.84 | 45,839.11 | 6,615.74 | 13,399.95 |
| OPENING INVENTORY | | | | |
| FINISHED GOODS | 6,784.21 | | 17,453.30 | |
| WORK-IN-PROGRESS | 6,615.74 | 13,399.95 | 6,909.20 | 24,362.50 |
| DECREASE/(INCREASE) OF FG. AND WIP. (RS.) | | (32,439.16) | | 10,962.55 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 24 - EMPLOYEE BENEFITS EXPENSE

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|---------------------------------|--------------------------|------------------|--------------------------|------------------|
| SALARIES AND WAGES | | 50,554.45 | | 35,258.03 |
| REMUNERATION | | | | |
| - DIRECTORS | 7,390.00 | | 5,700.00 | |
| - DIRECTOR'S RELATIVE | 2,988.00 | | 1,380.00 | |
| - KEY MANAGERIAL PERSON | 3,000.00 | 13,378.00 | 3,000.00 | 10,080.00 |
| CONTRIBUTION TO STATUTORY FUNDS | | 1,089.19 | | 805.83 |
| GRATUITY EXPENSES | | 522.00 | | (219.45) |
| PRODUCTION INCENTIVE | | 3,130.30 | | 30.00 |
| STAFF WELFARE | | 2,242.96 | | 1,889.41 |
| DIWALI BONUS | | 853.50 | | - |
| LESS: TRF TO CWIP | | 3,639.03 | | - |
| TOTAL (RS.) | | 68,131.36 | | 47,843.83 |

NOTE - 25 - FINANCE COSTS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|---------------------------|--------------------------|------------------|--------------------------|------------------|
| BANK CHARGES | 1,183.25 | | 1,000.77 | |
| INTEREST ON VEHICLE LOANS | 429.15 | | 227.82 | |
| INTT ON CC ACCOUNT | 5,152.24 | | 5,179.78 | |
| INTEREST ON LOANS | 5,757.39 | | 6,621.17 | |
| LC CHARGES | 9,872.92 | | 3,618.91 | |
| OTHER INTEREST/CHARGES | 239.60 | 22,634.56 | 571.17 | 17,219.62 |
| LESS: TRF TO CWIP | | 1,666.93 | | |
| TOTAL (RS.) | | 20,967.63 | | 17,219.62 |

NOTE - 26 - OTHER EXPENSES

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|---|--------------------------|-----------|--------------------------|-----------|
| MANUFACTURING AND OTHER EXPENSES | | | | |
| BIS FEES | 93.00 | | 93.00 | |
| DETENTION CHARGES | - | | 18.71 | |
| FREIGHT INWARD | 13,742.09 | | 2,329.97 | |
| FUEL & DIESEL | 680.73 | | 1,289.74 | |
| IMPORT HANDLING CHARGES | 1,729.25 | | 5,674.16 | |
| JOB WORK CHARGES | 932.80 | | 88.53 | |
| LOADING & UNLOADING | 262.95 | | 114.87 | |
| PACKING CHARGES | - | | 16.50 | |
| POWER CHARGES | - | 17,440.82 | 4,745.46 | 14,370.95 |
| ADMINISTRATIVE EXPENSES | | | | |
| ACCOUNTING CHARGES | - | | 60.00 | |
| AUDIT FEES | 400.00 | | 300.00 | |
| INSURANCE | 596.42 | | 515.45 | |
| LEGAL & PROFESSIONAL CHARGES | 1,924.77 | | 1,106.38 | |
| OFFICE EXPENSES | 1,300.30 | | 264.98 | |
| POSTAGE AND COURIER | 83.56 | | 129.58 | |
| PRINTING & STATIONARY | 417.60 | | 120.05 | |
| REGISTRATION & FILING | 468.77 | | 236.91 | |
| RENT | 1,123.00 | | 786.47 | |
| RENT GUEST HOUSE (BARWALA) | 151.00 | | - | |
| REPAIR AND MAINTAINENCE | 1,578.72 | | 1,095.99 | |
| TELEPHONE AND INTERNET | 251.05 | | 226.96 | |
| TOUR & TRAVEL | 398.63 | | - | |
| TRAVELLING & CONVEYANCE | 1,920.24 | | 545.30 | |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 26 - OTHER EXPENSES (Contd.....)

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|--|--------------------------|------------------|--------------------------|------------------|
| TRAVELLING EXPENSE @ 18% | 3.61 | | - | |
| VEHICLE RUNNING | 1,081.75 | 11,699.42 | 986.14 | 6,374.21 |
| SELLING AND DISTRIBUTION EXPENSES | | | | |
| BUSINESS PROMOTION | 320.00 | | 687.67 | |
| CALIBRATION CHARGES | 17.45 | | 10.25 | |
| DISCOUNT ALLOWED | 512.44 | | 484.53 | |
| FREIGHT OUTWARD | 490.60 | 1,340.49 | 4,675.86 | 5,858.31 |
| MISCELLANEOUS EXPENSES | | | | |
| ADMIN CHARGES | 25.45 | | 0.72 | |
| ADVERTISEMENT | 49.95 | | 115.49 | |
| AMOUNT WRITTEN OFF | 1,614.43 | | 1,207.95 | |
| ANNUAL CUSTODY FEES NSDL | 22.50 | | 59.67 | |
| DESIGNING EXP | 14,026.50 | | - | |
| DIGITAL LAND SURVEY | 6.00 | | - | |
| DOCUMENTATION CHARGES | 388.16 | | 90.55 | |
| EXCHANGE FLUCTUATION | 1,201.58 | | 12.99 | |
| RXIL DISCOUNTING CHARGES | 348.41 | | - | |
| FESTIVAL EXPENSES | 458.50 | | 367.92 | |
| GST FEES AND CHARGES | - | | 8.32 | |
| GST WRITTEN OFF | - | | 2,033.13 | |
| HOUSE KEEPING AND CLEANING EXP | 21.15 | | - | |
| INSTALLATION EXPENSES | 0.45 | | 22.00 | |
| INTEREST, FINES, PENALTIES & CHARGES | 257.97 | | 1,040.00 | |
| INTT ON TDS | 186.95 | | 52.46 | |
| LABOUR CHARGES | 50.19 | | 170.36 | |
| FEES AND CHARGES | 142.06 | | - | |
| MATERIAL DEDUCTION | (18.47) | | - | |
| MATERIAL DAMAGE LOSS RECOVERY | 5.33 | | - | |
| MEDICAL EXPENSES | 47.54 | | 34.23 | |
| MISC EXP | 252.71 | | 121.51 | |
| OTHER CHARGES | 8.64 | | 218.88 | |
| POLLUTION BOARD FEES | 101.18 | | 75.89 | |
| PRELIMINARY EXPENSES WRITTEN OFF | 1,411.42 | | 1,411.42 | |
| RESEARCH & DEVELOPMENT | 1.50 | | - | |
| ROAD TAX | - | | 8.64 | |
| ROC FEES | 283.89 | | 160.40 | |
| ROUND OFF | 1.17 | | 0.22 | |
| SECURITY GUARD EXPENSES | - | | 253.63 | |
| SEGREGATION CHARGES | - | | 11.50 | |
| SERVICE CHARGES | 1,033.51 | | 249.65 | |
| MOBILE EXP. | 10.56 | | - | |
| EXPORT CHARGES (SAFTA) | 10.50 | | - | |
| SOFTWARE RENEWAL EXPENSES | - | | 15.00 | |
| SOFTWARE EXPENSES | 84.75 | | - | |
| STAMP DUTY | 0.39 | | 1.49 | |
| TECHNICAL TESTING AND ANALYSIS SERVICES | 106.53 | | - | |
| TOLL TAX | 86.91 | | 46.04 | |
| GUEST HOUSE RENT & EXPENSES | 99.47 | | - | |
| CONSULTANCY CHARGES | 700.50 | | - | |
| WEBSITE MAINTAINENCE CHARGES | 14.50 | | - | |
| WEIGHTMENT CHARGES | 5.55 | 23,048.32 | 9.35 | 7,799.40 |
| LESS: TRF TO CWIP | | 2,373.85 | | - |
| TOTAL (RS.) | | 51,155.20 | | 34,402.87 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 27 - EXTRAORDINARY ITEMS

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|---|--------------------------|--------------------------|
| LOSS BY FIRE * | 18,903.93 | 1,785.20 |
| (REFER POINT '5' OF NOTE '28' ATTACHED) | | |
| TOTAL (RS.) | 18,903.93 | 1,785.20 |

NOTE - 28 - OTHER NOTES TO ACCOUNTS

₹ in thousands

| | | |
|-------------------------------|-----|-----------|
| CONTINGENT LIABILITIES | NIL | NIL |
| CAPITAL COMMITMENT*** | NIL | 16,200.95 |

₹ in thousands

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|--|--------------------------|--------------------------|
| 1) PAYMENTS TO AUDITORS AS: | | |
| - FEES AS AUDITORS | 400.00 | 300.00 |
| - CERTIFICATION CHARGES | 72.10 | 74.46 |
| - FEES FOR OTHER SERVICES | 69.62 | 29.50 |
| 2) EXPENDITURE IN FOREIGN CURRENCY: | | |
| - RAW MATERIAL | 161,391.16 | 40,467.23 |
| - CAPITAL GOODS | - | - |
| 3) EARNING IN FOREIGN CURRENCY: | | |
| - F.O.B. VALUE IN EXPORTS | NIL | 10,595.20 |
| 4) RELATED PARTY TRANSACTIONS: | | |
| i) DIRECTOR'S REMUNERATION | 7,390.00 | 5,700.00 |
| ii) DIRECTOR'S RELATIVES REMUNERATION | 2,988.00 | 1,380.00 |
| iii) KEY MANAGERIAL PERSON'S REMUNERATION | 3,000.00 | 3,000.00 |

5) There was fire in the factory of the company on 13.02.2022 causing loss to inventory, part of factory building and machinery. The intimation of the fire accident has been given to the insurer by the company and loss due to fire on stock, building & machinery has been estimated and submitted to the insurer. Based upon the best estimates the appropriate entries for loss by fire and insurance claim recoverable from the insurance company has been booked in the financial statement for year ended 31.03.2022. However, during the final settlement of the claim, insurance company has passed the claim of Rs. 158.70 lacs against claim filed for Rs. 347.74 lacs. The balance of Rs. 189.04 lacs have been charged to profit & loss being extra-ordinary item in the financial statement.

6) Sundry Debtors, Creditors and Loan & Advances are subject to confirmation, reconciliation and consequential impact if any. The management is of the opinion that Sundry Debtors are recoverable in nature and all efforts are being made to recover the same as such no provision for Bad & Doubtful debt is required.

7) 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.

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

₹ in thousands

| PARTICULARS | FOR THE YEAR ENDED 31.03.2023 | FOR THE YEAR ENDED 31.03.2022 |
|---|-------------------------------|-------------------------------|
| i) AMOUNT CHARGED TO STATEMENT OF PROFIT & LOSS ACCOUNT GAIN/(LOSS) | 1,201.58 | 12.99 |

9) 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 28 - OTHER NOTES TO ACCOUNTS (Contd.....)

9) DISCLOSURE AS PER ACCOUNTING STANDARD-15 (Contd.....)

(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 :- ₹ in thousands

| PARTICULARS | 31.03.2023 | 31.03.2022 |
|--|------------|------------|
| MORTALITY TABLE | 2012-14 | 2012-1 |
| DISCOUNT RATE | 7.50% | 7.06% |
| SALARY ESCLATION | 8.00% | 8.00% |
| EXPECTED RATE OF RETURN ON PLAN ASSETS | 7.50% | 6.91% |
| I. Change in Present Value of Obligation | | |
| Present Value of Obligation at the beginning of the period | 1,320.94 | 1,531.58 |
| Acquisition Adjustment | - | - |
| Interest Cost | 97.49 | 114.87 |
| Current Service Cost | 672.70 | 681.64 |
| Past Service Cost | - | - |
| Benefits Paid | - | - |
| Actuarial (Gain)/Loss on obligation | (238.90) | (1,007.15) |
| Present Value of Obligation at the end of the period | 1,852.22 | 1,320.94 |
| II. Change in Fair Valur of Plan Assets | | |
| Fair Value of plan assets at the beginning of the period | 127.71 | 119.62 |
| Acquisition Adjustment | - | - |
| Expected return on plan assets | 9.43 | 8.97 |
| Contributions | (0.77) | (0.72) |
| LIC Charges | - | - |
| Benefits Paid | - | - |
| Actuarial Gain/(Loss) on Plan Assets | (0.14) | (0.16) |
| Fair Value of plan assets at the end of the period | 136.22 | 127.71 |
| III. Fair Valur of Plan Assets | | |
| Fair Value of Plan Assets at the beginning of the period | 119.62 | 119.62 |
| Acquisition Adjustment | - | - |
| Expected return on Plan Assets | 8.97 | 8.81 |
| Contributions | - | - |
| LIC Charges | (0.72) | (0.77) |
| Benefits Paid | - | - |
| Actuarial gain/(loss) on Plan Assets | (0.16) | (0.14) |
| Fair Value of Plan Assets at the end of the period | 127.71 | 136.22 |
| IV. Actuarial gain/loss Recognised | | |
| Actuarial gain/(loss) for the period-Obligation | 238.90 | 1,007.15 |
| Actuarial (gain)/loss for the period-Plan Assets | 0.14 | 0.16 |
| Total (gain)/Loss for the period | 238.76 | (1,006.99) |
| Actuarial (gain)/loss recognizd in the period | 238.76 | (1,006.99) |
| Unrecognized actuarial (gains)/losses at the end of the period | - | - |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 28 - OTHER NOTES TO ACCOUNTS (Contd.....)

KEY ACTUARIAL ASSUMPTION FOR ACTUARIAL VALUATION AS AT :- (Contd.....) ₹ in thousands

| PARTICULARS | 31.03.2023 | 31.03.2022 |
|--|-------------------|-------------------|
| V. The Amount to be recognized in Balance sheet and Profit & Loss A/C | | |
| Present Value of Obligation at the end of the period | 1,852.22 | 1,320.94 |
| Fair Value of plan assets at the end of the period | 136.22 | 127.71 |
| Funded Status/ Difference | (1,716.00) | (1,193.23) |
| Excess of actual over estimated | (0.14) | (0.16) |
| Unrecognized actuarial (gains)/losses | - | - |
| Net Asset/(Liability) recognized in Balance Sheet | (1,716.00) | (1,193.23) |
| VI. Expense recognized in Profit & Loss A/C | | |
| Current Service Cost | 672.70 | 681.64 |
| Past Service Cost | - | - |
| Interest Cost | 97.49 | 114.87 |
| Expected return on plan assets | (9.43) | (8.97) |
| Net Actuarial Gain/(Loss) recognized in the period | (238.76) | (1,006.99) |
| Expense recognized in Profit & Loss A/C | 522.00 | (219.45) |
| VII. Reconciliation Statement of Expense in Profit & Loss A/C | | |
| Present Value of Obligation at the end of the period | 1,852.22 | 1,320.94 |
| Present Value of Obligation at the beginning of the period | 1,320.94 | 1,531.58 |
| Benefits Paid | - | - |
| Actual return on plan assets | (9.29) | (8.81) |
| Acquisition Adjustment | - | - |
| Expense recognized in Profit & Loss A/C | 522.00 | (219.45) |
| VIII. Movement in liability recognized in Balance sheet | | |
| Opening Net Liability | 1,320.94 | 1,531.58 |
| Expenses as above | 522.00 | (219.45) |
| Benefits Paid | - | - |
| Actual return on plan assets | 9.29 | 8.81 |
| Acquisition Adjustment | - | - |
| Closing Net Liability | 1,852.22 | 1,320.94 |
| IX. Major Categories of Plan Assets | | |
| Government of India Securities | - | - |
| High Quality Corporate Bonds | - | - |
| Equity Shares of Listed Bonds | - | - |
| Property | - | - |
| Funds Managed by Insurer | 100% | 100% |
| Total | 100% | 100% |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 28 - OTHER NOTES TO ACCOUNTS (Contd.....)

10) During the year, borrowing cost of Nil has been capitalized.

11) 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.

12) 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 | Managing Director |
| Mr. Amit Kaushik | Key Managerial Person |
| Mr. Ashwani Kuamr Goel | Director |
| Mr. Naveen Kumar | Director |
| Mr. Akshay Kumar Vats | Independent Director |
| Mr. Smita Bhandari | Independent Director |
| Ms. Ruchi Kaushik | Relative of Director |
| Mr. Ashish Kaushik | Relative of Director |
| Kitchen Expert | Prop. Director’s relative |
| Super Packaging | Prop. Director’s relative |
| Mahaluxmi Industries | Prop. Naveen Kumar |
| Ness Appliances | Prop. Director’s relative |
| Mr.Dinesh Kaushik | Relative of Director |
| Mrs. Anita Kaushik | Relative of Director |

₹ in thousands

| PARTICULARS | | TRANSACTION TYPE | FOR THE YEAR ENDED 31.03.2023 | FOR THE YEAR ENDED 31.03.2022 |
|--|---------|------------------|-------------------------------|-------------------------------|
| i) REMUNERATION | | | | |
| - DIRECTORS | | REMUNERATION | 7,390.00 | 5,700.00 |
| - DIRECTORS | | INCENTIVE | 1,563.65 | - |
| - DIRECTORS | | SITTING FEES | 15.00 | - |
| - KEY MANAGERIAL PERSON | CEO/CFO | REMUNERATION | 3,000.00 | 3,000.00 |
| - KEY MANAGERIAL PERSON | CEO/CFO | INCENTIVE | 1,563.65 | - |
| - DIRECTOR’S RELATIVE | | REMUNERATION | 2,988.00 | 1,380.00 |
| ii) SUPER PACKAGING | | SALE | - | 7.51 |
| | | PURCHASE | 2,186.80 | 4,355.67 |
| OUTSTANDING BALANCE AS ON 31.3.2023(CR.) | | 1.08 | (793.79) | |
| iii) MAHALUXMI INDUSTRIES | | SALE | 252.17 | 1,346.56 |
| | | PURCHASE | 95.45 | 3,525.79 |
| OUTSTANDING BALANCE AS ON 31.3.2023(DR.) | | 1,122.77 | 940.67 | |
| iv) NESS APPLIANCES | | SALE | 1,169.28 | 2,916.77 |
| OUTSTANDING BALANCE AS ON 31.3.2023(DR.) | | 2,398.87 | 2,767.62 | |
| v) KKITCHEN EXPERT | | SALE | 0.36 | 1,211.71 |
| | | EXPENSES | 67.71 | - |
| OUTSTANDING BALANCE AS ON 31.3.2022(DR.) | | - | 740.69 | |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 28 - OTHER NOTES TO ACCOUNTS (Contd.....)

₹ in thousands

| 13) DISCLOSURE AS PER AS-19 | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|---|-----------------------------|-----------------------------|
| FUTURE LEASE PAYMENTS TO BE PAID | | |
| 0-1 YEARS | 1,044.00 | 756.00 |
| 1-5 YEARS | NIL | 1,810.00 |
| LATER THAN 5 YEARS | NIL | NIL |
| TOTAL LEASE RENTALS EXPECTED | 1,044.00 | 2,566.00 |
| LEASE RENTALS RECOGNIZED IN P&L IN C.Y. | 1,274.00 | 786.47 |

- 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. The lease does not qualify for any of the conditions of financial lease, it is treated as operating lease. The lease aggrements are generally being executed for a period of 11 months and as on 31.03.2023 and few of them are pending for renewal.

| 14) EARNING PER SHARE | ₹ in thousands | |
|-----------------------------------|-----------------------------|-----------------------------|
| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
| NET PROFIT AFTER TAX | 33,783.55 | (16,470.55) |
| WEIGHTED AVG. NO OF EQUITY SHARES | 7,135.08 | 6,000.00 |
| EARNING PER SHARE (IN RS.)* | 4.54 | (2.64) |
| DILUTED EARNING PER SHARE | 4.54 | (2.63) |

15) DISCLOSURE AS PER ACCOUNTING STANDARD-26 "INTANGIBLE ASSETS"

| NAME OF THE ASSET | GROSS VALUE AS ON 01.04.2022 | ADDITIONS DURING THE YEAR | ACCUMULATED AMORTISATION AT YEAREND | CARRYING AMOUNT OF ASSET |
|---|------------------------------------|---------------------------------|---|--------------------------------|
| INTANGIBLE ASSETS - PURCHASED | | | | |
| Tally 9 ERP **** (USEFUL LIFE = 3 YEARS) | 64.90 | - | 61.66 | 3.25 |
| Lasting Software (USEFUL LIFE = 3 YEARS) | 162.50 | - | 142.54 | 19.96 |
| HR Software (USEFUL LIFE = 3 YEARS) | - | 43.50 | 2.41 | 41.09 |
| INTANGIBLE ASSETS - INTERNALLY GEN. | | | | |
| Design and Development (USEFUL LIFE = 3 YEARS) | 11,432.58 | - | 5,810.49 | 5,622.09 |
| INTANGIBLE ASSET UNDER DEVELOPMENT | | | | |
| Software (SAP) | 539.16 | 846.43 | - | 1,385.58 |

16) VALUE OF IMPORTED AND INDIGENOUS MATERIAL PURCHASED

| PARTICULARS | FIGURES AS AT 31.03.2023 | | FIGURES AS AT 31.03.2022 | |
|--------------|--------------------------|------------|--------------------------|------------|
| | %AGE | VALUE | %AGE | VALUE |
| RAW MATERIAL | | | | |
| IMPORTED | 25.66% | 161,391.16 | 11.54% | 35,674.35 |
| INDIGENOUS | 74.34% | 467,609.11 | 88.46% | 273,560.43 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 28 - OTHER NOTES TO ACCOUNTS (Contd.....)

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

| PARTICULARS | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 |
|--|--------------------------|--------------------------|
| ASSETS / RECEIVABLES (I.E. DEBTORS) | | |
| IN FOREIGN CURRENCY | | |
| IN US \$ | 23.40 | 90.29 |
| IN EURO | | |
| IN INDIAN CURRENCY | | |
| IN US \$ | 1,903.47 | 6,843.23 |
| IN EURO | | |
| LIABILITIES / PAYABLES (I.E. CREDITORS) | | |
| IN FOREIGN CURRENCY | | |
| IN US \$ | 32.29 | 39.33 |
| IN EURO | - | - |
| IN INDIAN CURRENCY | | |
| IN US \$ | 2,628.05 | 2,981.15 |
| IN EURO | - | |
| LIABILITIES / PAYABLES (LONG TERM) | | |
| IN FOREIGN CURRENCY | | |
| IN US \$ | - | - |
| IN EURO | - | - |
| IN INDIAN CURRENCY | | |
| IN US \$ | - | - |
| IN EURO | - | - |

- 18) The Company has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date and no default has been made regarding the same.
- 19) The title deeds of the immovable property as appearing in the books of accounts are in the name of the company.
- 20) The Company has not revalued any of its Property, Plant & Equipments or Intangible Assets during the current year.
- 21) The Company has not given any loan and advances to its promoters, Directors, KMPs or any related parties during the current year.
- 22) As per information and explanation given us by management, no proceedings has been intitated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988.
- 23) As per information and explanation given us by management, Company is not declared as willful defaulter by any Bank or financial Institution or any other lender.
- 24) As per information and explanation given us by management, Company has not incurred any transactions with Companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956.
- 25) As per information and explanation given us by management, No charge is pending for registration before the ROC, beyond the specified time period.
- 26) As per information and explanation given us by management, Company is not having any transaction which is not recorded in books of accounts of Company which has been surrendered in tax assessments under Income Tax Act 1961.
- 27) As per the limits prescribed under section 135 of Companies Act 2013, Corporate Social Responsibility clause is not applicable on the company during current Financial year.
- 28) As per information and explanation given us by management, Company has not dealt/traded/invested in the Crypto Currency or Virtual Currency during current Financial year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 28 - OTHER NOTES TO ACCOUNTS (Contd.....)

29) AGEING SCHEDULE FOR CAPITAL WORK IN PROGRESS

| CWIP PARTICULARS | Amount in CWIP for a period of | | | | | TOTAL |
|---------------------------------------|--------------------------------|---------------------|--------------|--------------|---------------------|------------------|
| | LESSTHAN 6MONTHS | 6MONTHS - 1 YEAR | 1-2 YEARS | 2-3 YEARS | MORETHAN 3 YEARS | |
| Projects in progress | | | | | | |
| Factory Building (Barwala) | 1,437.97 | - | - | - | - | 1,437.97 |
| Hyderabad Project (Incl. Building) | 18,000.00 | - | - | - | - | 18,000.00 |
| Projects temporarily suspended | - | - | - | - | - | - |
| GRAND TOTAL (RS.) | 19,437.97 | - | - | - | - | 19,437.97 |

30) AGEING SCHEDULE FOR INTANGIBLE ASSET UNDER DEVELOPMENT

| ITA UNDER DEVELOPMENT PARTICULARS | Amount in CWIP for a period of | | | | | TOTAL |
|---------------------------------------|--------------------------------|---------------------|--------------|--------------|---------------------|---------------|
| | LESSTHAN 6MONTHS | 6MONTHS - 1 YEAR | 1-2 YEARS | 2-3 YEARS | MORETHAN 3 YEARS | |
| Projects in progress | | | | | | |
| Software (SAP) | 145.08 | - | - | - | - | 145.08 |
| Projects temporarily suspended | - | - | - | - | - | - |
| GRAND TOTAL (RS.) | 145.08 | - | - | - | - | 145.08 |

31) ACCOUNTING RATIOS TO BE DISCLOSED:

| | FIGURES AS AT 31.03.2023 | FIGURES AS AT 31.03.2022 | % CHANGE FROM LAST YEAR |
|--------------------------------------|-----------------------------|-----------------------------|----------------------------|
| (a) Current Ratio | 1.67 | 1.16 | 45% |
| (b) Debt-Equity Ratio | 0.26 | 0.40 | -35% |
| (c) Debt Service Coverage Ratio | 1.85 | 0.59 | 213% |
| (d) Return on Equity Ratio | 0.12 | -0.18 | -165% |
| (e) Inventory turnover ratio | 5.34 | 4.82 | 11% |
| (f) Trade Receivables turnover ratio | 4.45 | 3.20 | 39% |
| (g) Trade payables turnover ratio | 6.36 | 3.24 | 96% |
| (h) Net capital turnover ratio | 3.53 | 12.29 | -71% |
| (i) Net profit ratio | 0.04 | -0.04 | -201% |
| (j) Return on Capital employed | 0.12 | -0.02 | -618% |
| (k) Return on investment | NA | NA | NA |

*** Explanation for Change in Ratio (for more than 25% in comparison with last year)**

- Regarding Current Ratio, during Current Financial Year Company's Current Assets has been increased as comparing last Financial Year resulting in increase in abovesaid ratio.
- Regarding Debt-Equity Ratio, during Current Financial Year Company has issued total equity shares worth Rs. 69.10 Lacs at Premium amounting to Rs. 25.10 Crores and also repaid Unsecured loan of Rs. 5.00 Cr resulting in drastic fall in debt equity ratio
- Regarding Debt Service Coverage Ratio, during Current Financial Year Company's PAT has been increased as comparing last Financial Year resulting in increase in abovesaid ratio.
- Regarding Return on Equity Ratio, during Current Financial Year Company's PAT has been increased as comparing last Financial Year resulting in increase in abovesaid ratio.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 28 - OTHER NOTES TO ACCOUNTS (Contd.....)

- e) Regarding Inventory Turnover Ratio, due to increase in turnover there is resulting in increase in abovesaid ratio.
- f) Regarding Trade Receivables Turnover Ratio, due to increase in turnover there is resulting in increase in abovesaid ratio.
- g) Regarding Trade payables turnover ratio, due to increase in turnover there is resulting in increase in abovesaid ratio.
- j) Regarding Net profit ratio, during Current Financial Year Company's PAT has been increased as comparing last Financial Year resulting in increase in abovesaid ratio.
- k) Regarding Return on Capital employed ratio , during Current Financial Year Company's PAT has been increased as comparing last Financial Year resulting in increase in abovesaid ratio.

33) Previous Year Figures Have Been Classified As Necessary.

**FOR GANDHI MINOCHA & CO.,
CHARTERED ACCOUNTANTS,
F.R.N. 000458N
(GOURAV CHHIBBERR)
PARTNER
M.NO. 513968
UDIN: 23513968BGRHQW2268
PLACE : PANCHKULA
DATE : 24.05.2023**

For and on the behalf of Board of Directors

ADITYA KAUSHIK **ASHWANI KUMAR GOEL**
(MANAGING DIRECTOR) **(WHOLE TIME DIRECTOR)**
(DIN - 06790052) **(DIN - 08621161)**

AMIT KAUSHIK **ZALAK SHAH**
(CEO / CFO) **(COMPANY SECRETARY)**

NOTICE

NOTICE is hereby given that the Sixth (6th) Annual General Meeting (AGM) of the Members of Inflamm Appliances Limited will be held on Monday, August 28, 2023 at 04:00 P.M. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses;

ORDINARY BUSINESSES

1. ADOPTION OF FINANCIAL STATEMENTS:

To consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon; in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolution**.

“**RESOLVED THAT**, the audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. APPOINTMENT OF MR. NAVEEN KUMAR (DIN:08743772) AS DIRECTOR WHO RETIRES BY ROTATION AND BEING ELIGIBLE, SEEKS RE-APPOINTMENT;

Explanation: Based on the terms of appointment, executive directors and non-executive directors are subject to retirement by rotation. Mr. Naveen Kumar (DIN:08743772) who was appointed as Whole Time Director for the current term, and is the longest-serving member on the Board, retires by rotation and, being eligible, seeks re-appointment.

To the extent that Mr. Naveen Kumar (DIN: 08743772) is required to retire by rotation, he would need to be reappointed as such. Therefore, shareholders are requested to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Naveen Kumar (DIN: 08743772) as such, to the extent that she is required to retire by rotation.”

3. RE-APPOINTMENT OF STATUTORY AUDITOR AND TO FIX THEIR REMUNERATION.

To consider and if thought fit to pass with or without modifications the following resolution as an **Ordinary Resolution**.

“**RESOLVED THAT**, pursuant to Section 139, 142 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee and Board of Directors, approval of the members of the company be and is hereby accorded for re-appointment of M/s. Gandhi Minocha And Company, Chartered Accountant, Haryana (FRN: 000458N) as the Statutory Auditors of the Company, who shall hold office from the conclusion of this 06th Annual General Meeting till the conclusion of the 11th Annual General Meeting to be held in the calendar year 2028 and the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters, and things which may deem necessary in this behalf.”

SPECIAL BUSINESSES

4. REGULARISATION OF MR. ANUSHEEL KAUSHIK (DIN: 10091002) AS A WHOLE-TIME DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **special resolution**:

“**RESOLVED THAT**, pursuant to the provisions of Section 152, 161, 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard and other applicable Regulations of SEBI (LODR) Regulations, 2015 including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the board” which term shall include Nomination & Remuneration Committee of the Board), who was appointed by the board as additional director

(Whole Time Director) of the Company with effect from April 01, 2023 in terms of provisions of Section 161 of the Act and Articles of Association of the Company and who holds the office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice under Section 160 of the Act proposing his candidature for the office of the Director, the approval of the Members of the Company be and is hereby accorded for appointment of Mr. Anusheel Kaushik (DIN: 10091002) as a Whole Time Director for further period of (5) years with effect from April 01, 2023, liable to retire by rotation and on such terms and conditions including salary and perquisites (hereinafter referred to as “remuneration”) as set out in the explanatory statement annexed to this notice with the power to the board to alter and modify the same, inconsonance with the provisions of the Act and in the best interest of the Company.

RESOLVED FURTHER THAT the remuneration payable to Mr. Anusheel Kaushik (DIN: 10091002), shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT, subject to the provisions of Section 197 of the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Anusheel Kaushik (DIN: 10091002) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the board be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, from time to time and to undertake all such steps, as may be deemed necessary in this matter.

RESOLVED FURTHER THAT in terms of Section 190 of the Companies Act, 2013, no formal contract of service with Mr. Anusheel Kaushik (DIN: 10091002) will be executed and this resolution along with its explanatory statement be considered as Memorandum setting out terms and conditions of appointment and remuneration of Mr. Anusheel Kaushik (DIN: 10091002) as Whole Time Director.

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

5. RE-APPOINTMENT OF MR. ASHWANI KUMAR GOEL (DIN: 08621161) AS WHOLE TIME DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special resolution**:

“**RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard and other applicable Regulations of SEBI (LODR) Regulations, 2015 including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the board” which term shall include Nomination & Remuneration Committee of the Board), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Ashwani Kumar Goel (DIN: 08621161) as a Whole time Director for further period of five (5) years with effect from August 28, 2023, liable to retire by rotation and on such terms and conditions including salary and perquisites (hereinafter referred to as “remuneration”) as set out in the explanatory statement annexed to this notice with the power to the board to alter and modify the same, inconsonance with the provisions of the Act and in the best interest of the Company.

RESOLVED FURTHER THAT the remuneration payable to Mr. Ashwani Kumar Goel (DIN: 08621161), shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the Remuneration payable to Mr. Ashwani Kumar Goel (DIN: 08621161) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the board be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, from time to time and to undertake all such steps, as may be deemed necessary in this matter.”

RESOLVED FURTHER THAT in terms of Section 190 of the Companies Act, 2013, no formal contract of service with Mr. Ashwani Kumar Goel (DIN: 08621161) will be executed and this resolution along with its explanatory statement be considered as Memorandum setting out terms and conditions of appointment and remuneration of Mr. Ashwani Kumar Goel (DIN: 08621161) as Whole time Director.

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

6. TO APPROVE PAYMENT OF REMUNERATION PAYABLE TO MR. NAVEEN KUMAR (DIN: 08743772), WHOLE TIME DIRECTOR OF THE COMPANY FOR HIS REMAINING TERM: – SPECIAL RESOLUTION.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the Board”), the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Naveen Kumar (DIN: 08743772), Whole Time Director of the Company as set out in the explanatory statement attached hereto, for the existing term until revised and further with other terms and conditions remaining unchanged as per the explanatory statement of resolution passed for his appointment as Whole Time Director with the power to the Board of Directors to alter and modify the same, inconsonance with the provisions of the Act and in the best interest of the Company;

RESOLVED FURTHER THAT subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Naveen Kumar (DIN: 08743772), as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors (or any Committee thereof) be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, including modification and amendment of any revisions, thereof and to undertake all such steps, as may be deemed necessary in this matter.”

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Ahmedabad, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

7. ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY.

To consider and if thought fit, to pass either with or without modification(s), the following resolution as a **Special Resolution**

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, and subject to the necessary approvals, consents, permissions and sanctions required, if any, by the Registrar of Companies, and / or any other appropriate authority, the consent of Members of the Company be and is hereby accorded to amend the existing Articles of Association (“AOA”) of the Company in the following manner:

(i) Deletion of the definition of “Seal” stated under Interpretation, i.e. xxvi “seal”

(ii) Substitution of Existing article No. 6(iii) with following

Every certificate shall be issued under the signature of two Directors or one Director & the Company Secretary, and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) Substitution of Existing article No. 29(iii) with following

A Certificate under the signature of two Directors or one Director & the Company Secretary of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.

- (iv) Substitution of Article No. 145 along with its heading "The Seal" With following Article with Heading Authentication of Documents

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the *Secretary or an authorised officer of the Company.*

****Post deletion of Interpretation sub- Interpretation will be renumbered accordingly***

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution."

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

For and on behalf of Board of Directors
For, **Inflame Appliances Limited**
CIN: L74999HP2017PLC006778

Corporate Office: Village Bagwali,
Khasra No. 40/14-15-16-17/1,
Block - Raipur Rani, Nh-73,
Panchkula-134202.

Aditya Kaushik
Chairman and Managing Director
DIN 06790052

Date : August 02, 2023
Place : Panchkula

IMPORTANT NOTES

1. Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC on Monday, August 28, 2023 at 04.00 p.m. (IST). The deemed venue of the proceedings of the 06th AGM shall be the Registered Office of the Company at Khewat Khatoni No. 45/45, Khasra No. 942/855/1 Village Kalyanpur Tehsil-Baddi Baddi Solan-173205.
2. Information regarding appointment/re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.
3. 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.
4. 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.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto;
6. 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.
7. 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), the MCA Circulars & SEBI Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the businesses 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 authorized 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.
8. Notice calling the AGM has been sent by electronic means to those members who had registered their email addresses with the Company / Depositories. The Notice has also been uploaded on the website of the Company at www.inflammindia.com & the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and is also made available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
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. Monday, August 28, 2023. Members seeking to inspect such documents can send an email to cs@inflameindia.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 Friday, August 25, 2023 at 09:00 A.M. (IST) and ends on Sunday, August 27, 2023 at 05:00 P.M. (IST). During this period, members holding shares in dematerialised form, as on cut-off date, i.e. as on Monday, August 21, 2023 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 their 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, www.inflameindia.com

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

The remote e-voting period begins on Friday, August 25, 2023 at 09:00 A.M. (IST) and ends on Sunday, August 27, 2023 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. on Monday, August 21, 2023 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 Monday, August 21, 2023.

PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATING AT THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:

- i. 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 April 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 2020, the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
- ii. There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Monday, August 21, 2023 shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Monday, August 21, 2023, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.

- iv. The remote e-voting will commence on Friday, August 25, 2023 at 09:00 A.M. (IST) and ends on Sunday, August 27, 2023 at 05:00 P.M. (IST). During this period, the members of the Company holding shares as on the Cut-off date i.e. Monday, August 21, 2023, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
- v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Monday, August 21, 2023.
- vii. The Company has appointed M/s. SCS and CO. LLP, Practicing Company Secretaries (ICSI Unique Code: L2020GJ008700), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

The remote e-voting period begins on Friday, August 25, 2023 at 09:00 A.M. (IST) and ends on Sunday, August 27, 2023 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. Monday, August 21, 2023, 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 i.e. Monday, August 21, 2023.

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 December 9, 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 | 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “ Beneficial Owner ” icon under “ Login ” which is available under ‘ IDeAS ’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ Access to e-Voting ” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| | 2. If you are 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 hold 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 company name or e-Voting service provider i.e. 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. |

| Type of shareholders | Login Method |
|---|---|
| | <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <p>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.</p> |
| | <p>2. 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.</p> |
| | <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> |
| | <p>4. 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.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. 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.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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 e-Voting and joining virtual meeting 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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. 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.

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:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) 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.
 - c) How to retrieve your ‘initial password’?
 - (i) 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’.
 - (ii) 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:
 - a) 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.
 - b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) 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.
 - d) 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.

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 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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **sandsandcolp@gmail.com** with a copy marked to **evoting@nsdl.co.in**. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- 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 go 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 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. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **cs@inflameindia.com**.
2. In case 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 **cs@inflameindia.com**.
3. 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.
4. 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.
5. In terms of SEBI circular dated December 9, 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.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 06th AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the 06th AGM is same as the instructions mentioned above for remote e- voting.
2. Only those Members/ shareholders, who will be present in the 6th AGM at the Registered Office of the Company or 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 6th 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 06th 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 **cs@inflammindia.com**. The same will be replied by the company suitably.

EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act 2013 and Secretarial Standard 2 on General Meetings)

ITEM NO. 04:

REGULARISATION OF MR. ANUSHEEL KAUSHIK (DIN: 10091002) AS A WHOLE-TIME DIRECTOR OF THE COMPANY.-SPECIAL RESOLUTION

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, Mr. Anusheel Kaushik (DIN: 10091002) as an Additional Director (Whole Time Director) of the Company with effect from April 01, 2023 subject to the approval of members. The Board is of the view that the appointment of Mr. Anusheel Kaushik (DIN: 10091002) on the Company's Board as Whole Time Director is desirable and would be beneficial to the Company.

In terms of the provisions of Section 161(1) of the Act, Mr. Anusheel Kaushik (DIN: 10091002) would hold office Upto the date of the ensuing Annual General Meeting (AGM).

The Company has received notice in writing under Section 160 of the Act, proposing the candidature of Mr. Anusheel Kaushik (DIN: 10091002) for the office of Whole-Time Director of the Company. Further, the Company has received consent in writing to act as director and intimation in Form DIR-8 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

It is proposed to seek the members' approval for the Appointment of and remuneration payable to Mr. Anusheel Kaushik (DIN: 10091002) as a Whole Time Director of the company in terms of the applicable provisions of the Act.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the minimum Remuneration payable to Mr. Anusheel Kaushik (DIN: 10091002), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in be Section II of Part II of Scheduled V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198, 203 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable Regulations of SEBI (LODR) Regulations, 2015, the appointment of and remuneration payable to Mr. Anusheel Kaushik (DIN: 10091002), as Whole Time Director is now being placed before the Members for their approval by way of Special Resolution.

The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;

General Information Nature of Industry: The Company being engaged in the business of manufacturing of Kitchen appliances in particular Chimneys.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

Date of commencement of commercial production: The Company is already making the production.

Financial performance based on given indicators: (Amount in Lakhs)

| PARTICULARS | YEAR ENDED 31.03.2023 | YEAR ENDED 31.03.2022 |
|---|--------------------------|--------------------------|
| Revenue From Operations | 7735.96 | 3961.71 |
| Other Income | 64.38 | 10.48 |
| Total Revenue (I+II) | 7800.34 | 3972.18 |
| Earnings Before Interest, Taxes, Depreciation and Amortization Expense | 1063.12 | 150.25 |
| Finance Cost | 209.68 | 172.20 |
| Depreciation and Amortization Expense | 223.94 | 180.66 |
| Profit Before Tax (IV-V-VI) | 629.50 | (202.61) |
| Extraordinary items | 189.04 | 17.85 |
| Tax Expense: | | |
| i. Current Tax Expense | 6.16 | - |
| ii. Deferred Tax Expenses | (110.50) | (55.75) |
| iii. MAT | - | - |
| iv. Short and excess provision of tax relating to earlier year | - | - |
| Profit After Tax (VII-VIII) | 323.80 | (164.71) |

Export performance and net foreign exchange: During the year under review, the company have Rs. 16,13,91,161 export performance and net foreign exchange expenditure.

Foreign Investment and collaborations, if any: No collaborations has been made by the Company with any of foreign entity. Further, as at March 31, 2023 total holding of Foreign Shareholders was 1,38,000 Equity Shares.

Information about the Whole Time Director: Background Details: Mr. Anusheel Kaushik (DIN: 10091002) aged 29 years is appointed as additional director of the Company. He holds a degree in Masters of Arts (International Business), Bachelor in Mechanical Engineering.

Past Remuneration: Rs.14,98,000/-

Job Profile and his suitability: He is responsible for the general administration of the Company in the ordinary course of business. Considering the above and having regard to his age, ability, and qualification and looking to the business requirement, he is a fit and proper person as the executive Director of the Company.

Terms and conditions of Remuneration:-

1. Basic Salary up to Rs.2.5 Lakh per Month excluding perquisite mentioned hereunder for the existing term.

Comparative remuneration profile with respect to Industry, Size of the company, Profile of the position and person:

Taking into consideration the size of the Company, the profile of Mr. Anusheel Kaushik (DIN: 10091002), the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel:

Mr. Anusheel Kaushik has pecuniary relationship to the extent he is director of the Company.

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the appointment of Mr. Anusheel Kaushik (DIN: 10091002), as a Whole Time Director of the Company are now being placed before the Members for their approval. Further, remuneration proposed above shall be valid for the existing term of Mr. Anusheel Kaushik until revised further with other terms and conditions remaining unchanged as per the resolution passed.

Mr. Anusheel Kaushik for the term as Whole Time Director will be beneficial to the operations of the Company and the same is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 04 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Anusheel Kaushik and Mr. Amit Kaushik himself and his relatives to the extent of their shareholding in the Company, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

ITEM NO. 05:

RE-APPOINTMENT OF MR. ASHWANI KUMAR GOEL (DIN: 08621161), AS WHOLE TIME DIRECTOR OF THE COMPANY:- SPECIAL RESOLUTION

Mr. Ashwani Kumar Goel (DIN: 08621161), was appointed as Whole Time Director for a period of 3 years w.e.f September 29, 2020 in the Board Meeting held on March 14, 2020, which was thereafter approved by members in the Annual General Meeting held on September 29, 2020. Mr. Ashwani Kumar Goel (DIN: 08621161), was appointed under Schedule V of Companies Act, 2013.

The Company has received notice in writing under Section 160 of the Act, proposing the candidature of Mr. Ashwani Kumar Goel (DIN: 08621161) for the office of Whole-Time Director of the Company. Further, the Company has received consent in writing to act as director and intimation in Form DIR-8 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Ashwani Kumar Goel (DIN: 08621161) as a Whole Time Director of the company in terms of the applicable provisions of the Act.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the minimum Remuneration payable to Mr. Ashwani Kumar Goel (DIN: 08621161), in the event of loss or inadequacy

of profit in any Financial Year, shall be as per the limit set out in be Section II of Part II of Scheduled V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198, 203 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable Regulations of SEBI (LODR) Regulations, 2015, the appointment of and remuneration payable to Mr. Ashwani Kumar Goel (DIN: 08621161), as Whole Time Director is now being placed before the Members for their approval by way of Special Resolution.

The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;

General Information

Nature of Industry: The Company being engaged in the business of manufacturing of Kitchen appliances in particular Chimneys.

Date of commencement of commercial production: The Company is already making the production.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

Financial performance based on given indicators:

(Amount in Lakhs)

| PARTICULARS | YEAR ENDED 31.03.2023 | YEAR ENDED 31.03.2022 |
|---|--------------------------|--------------------------|
| Revenue From Operations | 7735.96 | 3961.71 |
| Other Income | 64.38 | 10.48 |
| Total Revenue (I+II) | 7800.34 | 3972.18 |
| Earnings Before Interest, Taxes, Depreciation and Amortization Expense | 1063.12 | 150.25 |
| Finance Cost | 209.68 | 172.20 |
| Depreciation and Amortization Expense | 223.94 | 180.66 |
| Profit Before Tax (IV-V-VI) | 629.50 | (202.61) |
| Extraordinary items | 189.04 | 17.85 |
| Tax Expense: | | |
| v. Current Tax Expense | 6.16 | - |
| vi. Deferred Tax Expenses | (110.50) | (55.75) |
| vii. MAT - | - | - |
| viii. Short and excess provision of tax relating to earlier year | - | - |
| Profit After Tax (VII-VIII) | 323.80 | (164.71) |

Export performance and net foreign exchange: During the year under review, the company have Rs. 16,13,91,161 export performance and net foreign exchange expenditure.

Foreign Investment and collaborations, if any: No collaborations has been made by the Company with any of foreign entity. Further, as at March 31, 2023 total holding of Foreign Shareholders was 1,38,000 Equity Shares.

Information about the Whole Time Director:

Background Details: Mr. Ashwani Kumar Goel (DIN: 08621161) aged 61 years is appointed is the Whole-time Director of our Company. Mr. Ashwani Kumar Goel has vast industrial experience of 35 years in various positions in Jindal Group. He was associated with this group in 1990. In our Company, he will be responsible for entire operations including sourcing, financing and other miscellaneous activities relating to operation

Past Remuneration: Rs. 24.00 Lakh P.A

Job Profile and his suitability: His Capabilities as an accountable and entrepreneur enable him to diversify Company's presence into different nations and thereby different horizons.

Terms and conditions of Remuneration:-

Basic Salary up to Rs. 24.00 Lakhs P.A. excluding perquisite mentioned hereunder for the existing term.

Comparative remuneration profile with respect to Industry, Size of the company, Profile of the position and person:

Taking into consideration the size of the Company, the profile of Mr. Ashwani Kumar Goel, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel:

Mr. Ashwani Kumar Goel has pecuniary relationship to the extent he is director of the Company and Shareholder of the Company.

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the appointment of Mr. Ashwani Kumar Goel (DIN: 08621161), as a Whole Time Director of the Company are now being placed before the Members for their approval. Further, remuneration proposed above shall be valid for the existing term of Mr. Ashwani Kumar Goel (DIN: 08621161) until revised further with other terms and conditions remaining unchanged as per the resolution passed.

Mr. Ashwani Kumar Goel (DIN: 08621161) for the term as Whole Time Director will be beneficial to the operations of the Company and the same is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 05 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Ashwani Kumar Goel (DIN: 08621161) and his relatives to the extent of their shareholding in the Company, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

ITEM NO. 06:

ITEM NO. 06 TO APPROVE PAYMENT OF REMUNERATION PAYABLE TO MR. NAVEEN KUMAR (DIN: 08743772), WHOLE TIME DIRECTOR OF THE COMPANY FOR HIS REMAINING TERM:-- SPECIAL RESOLUTION

Mr. Naveen Kumar (DIN: 08743772) was appointed as Whole Time for a period of 5 years w.e.f September 29, 2020 in the Annual General Meeting held on September 29, 2020. Mr. Naveen Kumar (DIN: 08743772) was appointed under Schedule V of Companies Act, 2013, therefore approval of Shareholders was sought for remuneration of director for 3 years upto September 28, 2023. On the recommendation of the Nomination and Remuneration Committee of the Company, the Board, in its meeting held on August 02, 2023, has considered approval of limit of remuneration, i.e. upto Rs. 2.40 Lakh per annum with such increments as may be decided by the Board from time to time to be paid to Mr. Naveen Kumar (DIN: 08743772) for his remaining tenure as Whole Time Director. The other terms and conditions of his appointment, as approved by the Shareholders shall remain unchanged.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the minimum Remuneration payable to Mr. Naveen Kumar (DIN: 08743772), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in be Section II of Part II of Scheduled V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198, 203 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable Regulations of SEBI (LODR) Regulations, 2015, remuneration payable to Mr. Naveen Kumar (DIN: 08743772), as Whole Time Director is now being placed before the Members for their approval by way of Special Resolution.

The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;

General Information

Nature of Industry: The Company being engaged in the business of manufacturing of Kitchen appliances in particular Chimneys.

Date of commencement of commercial production: The Company is already making the production.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

Financial performance based on given indicators:
(Amount in Lakhs)

| PARTICULARS | YEAR ENDED 31.03.2023 | YEAR ENDED 31.03.2022 |
|---|--------------------------|--------------------------|
| Revenue From Operations | 7735.96 | 3961.71 |
| Other Income | 64.38 | 10.48 |
| Total Revenue (I+II) | 7800.34 | 3972.18 |
| Earnings Before Interest, Taxes, Depreciation and Amortization Expense | 1063.12 | 150.25 |
| Finance Cost | 209.68 | 172.20 |
| Depreciation and Amortization Expense | 223.94 | 180.66 |
| Profit Before Tax (IV-V-VI) | 629.50 | (202.61) |
| Extraordinary items | 189.04 | 17.85 |
| Tax Expense: | | |
| i. Current Tax Expense | 6.16 | - |
| ii. Deferred Tax Expenses | (110.50) | (55.75) |
| iii. MAT - | - | - |
| iv. Short and excess provision of tax relating to earlier year | - | - |
| Profit After Tax (VII-VIII) | 323.80 | (164.71) |

Export performance and net foreign exchange: During the year under review, the company have Rs. 16,13,91,161 export performance and net foreign exchange expenditure.

Foreign Investment and collaborations, if any: No collaborations has been made by the Company with any of foreign entity. Further, as at March 31, 2023 total holding of Foreign Shareholders was 1,38,000 Equity Shares.

Information about the Whole Time Director:

Background Details: Mr. Naveen Kumar (DIN: 08743772), aged 43 years is appointed is the Whole-time Director of our Company. Mr. Naveen Kumar responsible for activities related to manufacturing.

Past Remuneration: Rs. 2,40,000 p.a

Job Profile and his suitability: His Capabilities as an accountable and entrepreneur enable him to diversify Company's presence into different nations and thereby different horizons.

Terms and conditions of Remuneration :-

Basic Salary up to Rs. 2,40,000 p.a excluding perquisite mentioned hereunder for the existing term.

Comparative remuneration profile with respect to Industry, Size of the company, Profile of the position and person:

Taking into consideration the size of the Company, the profile of Mr. Naveen Kumar, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel:

Mr. Naveen Kumar has pecuniary relationship to the extent he is director of the Company of the Company.

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the appointment of Mr. Naveen Kumar (DIN: 08743772) as a Whole Time Director of the Company are now being placed before the Members for their approval. Further, remuneration proposed above shall be valid for the existing term of Mr. Naveen Kumar (DIN: 08743772 until revised further with other terms and conditions remaining unchanged as per the resolution passed.

Mr. Naveen Kumar (DIN: 08743772)for the term as Whole Time Director will be beneficial to the operations of the Company and the same is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 06 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Naveen Kumar (DIN: 08743772) and his relatives to the extent of their shareholding in the Company, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

ITEM NO.07 ALTERATION OF ARTICLES OF ASSOCIATION WITH RESPECT TO REMOVAL OF COMMON SEAL CLAUSE- SPECIAL RESOLUTION

With the enactment of the Companies (Amendment) Act, 2015, the use of Common Seal has been made optional. In order to facilitate administrative convenience for execution of documents on behalf of the Company it is proposed to alter the existing Articles of Association ("AOA") of the Company by removing/amending the relevant clauses in the Articles of Association of the Company pertaining to the common seal.

Accordingly, alter the relevant Articles of Association of the Company. Pursuant to Section 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of Shareholders by passing a special resolution. The Board accordingly recommends the passing of the said resolution as contained in the Notice for approval by the Members as a special resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, directly or indirectly in the proposed resolution.

All the material documents pertaining to the above resolution shall be available for inspection by the Members at the Registered Office of the Company.

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

Corporate Office: Village Bagwali,
Khasra No. 40/14-15-16-17/1,
Block - Raipur Rani, Nh-73,
Panchkula-134202.

For and on behalf of Board of Directors
For, **Inflamm Appliances Limited**
CIN: L74999HP2017PLC006778

Aditya Kaushik
Chairman and Managing Director
DIN 06790052

Date : August 02, 2023
Place : Panchkula

ANNEXURE TO THE NOTICE

DISCLOSURE UNDER REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-II ISSUED BY ICSI FOR ITEM NO. 2, 4 & 5

| Name of Director | Mr. Naveen Kumar (DIN:08743772) | Mr. Anusheel Kaushik (DIN: 10091002) | Mr. Ashwani Kumar Goel (DIN: 08621161) |
|---|--|---|---|
| Date of Birth | 01/04/1980 | 25/08/1994 | 08/08/1961 |
| Date of Initial Appointment | March 14, 2020 | April 01, 2023 | March 14, 2020 |
| Date of Appointment (at current term) | September 29, 2020 | April 01, 2023 | September 29,2020 |
| Educational Qualifications | Senior Secondary Class | Degree in Masters of Arts (International Business), Bachelor in Mechanical Engineering | Engineering Graduate in Metallurgical Discipline from NIT, JAIPUR. |
| Expertise in specific functional areas - Job profile and suitability | He was associated with Mahalaxmi Industries (Manufacturer of brass burner of gas stove) since last 6 years. He will be responsible for activities related to manufacturing | He is responsible for the general administration of the Company in the ordinary course of business. Considering the above and having regard to his age, ability, and experience and looking to the business requirement | He has vast industrial experience of 35 years in various positions in Jindal Group. He was associated with this group since 1990. In our Company, He will be responsible for entire operations including sourcing, financing and other miscellaneous activities relating to operations. |
| Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company) | Nil | Nil | Nil |
| listed entities from which the person has resigned in the past three years | Nil | Nil | Nil |
| Memberships/Chairmanships of committees of other public companies | Nil | Nil | Nil |
| No. of Shares held as on March 31, 2023 including shareholding as a Beneficial Owner. | Nil | 30,13,400 | 3,50,000 |
| Terms & Conditions | Liable to retire by rotation | Liable to retire by rotation | Liable to retire by rotation |
| Inter-se Relationship with other Directors | No relationship with other Directors | Mr. Anusheel Kaushik is son of Mr. Amit Kaushik, promoter, CFO & CEO of the Company | No relationship with other Directors |
| Remuneration last Drawn | 2,40,000 P.A. | Rs.14,98,000 | Rs. 24,00,000 P.A. |
| Remuneration sought to be paid | 2,40,000 P.A. | Rs.30,00,000 P.A. | Rs. 24,00,000 P.A. |
| No. of meetings of the Board attended during the year | 12 | - | 12 |

Additional information about Statutory Auditors pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided below:-

| | |
|--|---|
| Terms of Appointment | Re-appointment of M/s. Gandhi Minocha And Company, Chartered Accountant, Haryana (FRN: 000458N), for their second term as the Statutory Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 11th AGM |
| Proposed Audit fees payable to Auditor and material change in fee payable | Remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company. |
| Basis of recommendation and Auditor credentials | M/s. Gandhi Minocha And Company, Chartered Accountant, Haryana (FRN: 000458N), is a well reputed Chartered Accountants firm established as back in 1975 by Shri Arjun Dev Gandhi who is a leading Chartered Accountant. M/s. Gandhi Minocha And Company, Chartered Accountant, Haryana (FRN: 000458N), handling the matters of taxation, valuation of Companies and consultancy. We provide range of specialist Management service in various sector- focuses assurance for public & private client in all areas. |

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

Corporate Office: Village Bagwali, Khasra No. 40/14-15-16-17/1, Block - Raipur Rani, Nh-73, Panchkula-134202.

Date : August 02, 2023
Place : Panchkula

For and on behalf of Board of Directors
For, **Inflamm Appliances Limited**
CIN: L74999HP2017PLC006778

Aditya Kaushik
Chairman and Managing Director
DIN 06790052

Inspiration drives us forward at **Inflame**
Kitchen appliances manufacturers in India



inflame
Inspired Cooking

Inflame Appliances Limited

CIN: L74999HP2017PLC006778

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

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Website: www.inflameindia.com