

MD	✓				BKC	✓
CS	✓				DFY	NA
RO	✓				INV	NA
TRA	✓					✓
AGM	✓	✓				✓
YE	✓	✓	✓			✓

ANNUAL REPORT

1997 - 98

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CARNATION INDUSTRIES LIMITED

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CARNATION INDUSTRIES LIMITED

BOARD OF DIRECTORS

MR. P. M. NARIELVALA - CHAIRMAN
MR. R. P. SEHGAL - MANAGING DIRECTOR
MR. S. KUNDU - DY. MANAGING DIRECTOR
MR. J. GHATAK
MR. M. M. KUNDU

COMPANY SECRETARY

MR. M. MANTRI

AUDITORS

M/S. JAIN & BAGARIA
CHARTERED ACCOUNTANTS
18, MANGOE LANE (2ND FLOOR)
CALCUTTA - 700 001

BANKERS

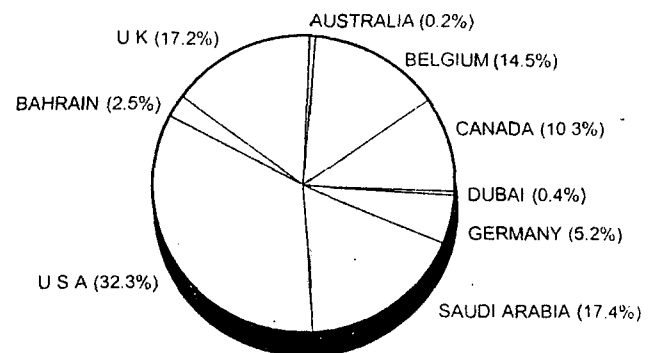
STATE BANK OF HYDERABAD
PUNJAB NATIONAL BANK
STANDARD CHARTERED BANK, P.I.c.

REGISTERED OFFICE

28/1, JHEEL ROAD
LILUAH, HOWRAH - 711 204

CORPORATE & HEAD OFFICE

222, A. J. C. BOSE ROAD
1ST FLOOR, ROOM NO. 4 & 5
CALCUTTA - 700 017



COUNTRIES WITH CARNATION CASTINGS - A GLOBAL OUTLOOK



CARNATION INDUSTRIES LIMITED

NOTICE

The fifteenth Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at 28/1, Jheel Road, Liluah, Howrah - 711 204 on Tuesday, the 8th day of September, 1998 at 4 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 1998 together with Directors' Report as also the Auditors' Report thereon.
2. To appoint a Director in place of Shri J. Ghatak who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF, SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (b) A proxy in order to be effective must be received at the Company's Registered Office not less than 48 hours before the time of holding the meeting.
- (c) The Register of members of the Company will remain closed from 4th September, 1998 to 8th September, 1998 both days inclusive.

Registered Office :
28/1, Jheel Road,
Liluah, Howrah-711 204
Dated : 26th June, 1998

For and on behalf of the Board

R. P. Sehgal
Managing Director





PROXY FORM**CARNATION INDUSTRIES LIMITED**

Registered Office : 28/1, Jheel Road, Liluah, Howrah - 711 204

Reg. Folio No.....

No. of Shares Held.....

I/We
 of
 being a member / members of the above named Company, hereby appoint
 Or failing him/her
 of
 as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 28/1, Jheel Road, Liluah, Howrah-711 204, on Tuesday the 8th September, 1998 and at any adjournment thereof.

Signed this day of, 1998.

Signature

Affix
Revenue
Stamp of
1 Re.

Note : The Proxy must reach the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

 This attendance slip duly filled in and signed in accordance with the specimen signature registered with the Company, to be handed over before the meeting.

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ATTENDANCE SLIP**CARNATION INDUSTRIES LIMITED**

Registered Office : 28/1, Jheel Road, Liluah, Howrah - 711 204

Name of the Member/s

Member/s Folio Number.....Number of Shares held.....

Name of Proxy (in Block Letters)

(To be filled in if the Proxy attends instead of the Member/s)

I hereby record my presence at the Annual General Meeting at 28/1, Jheel Road, Liluah, Howrah-711 204 at 4p.m. on Tuesday, the 8th September, 1998.

* To be signed at the time of
 handing over this slip.

Member's / Proxy's Signature *

As no extra copy of this attendance slip will be available, Members are therefore requested to bring it with them positively.

CARNATION INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Share Holders,

Your Directors are pleased to place before the members, their fifteenth Annual Report for the year ended 31st March, 1998.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	Year ended 31.3.98	Year ended 31.3.97
Export sales	1,789.06	1,685.47
Profit before interest & tax	85.21	111.92
Less interest	151.09	85.64
Less tax, including tax paid for earlier year	0.05	3.39
Profit / (loss) after taxes	(65.93)	22.89
Add balance brought forward from earlier year	65.94	61.67
Balance which the Directors have appropriated as under :	0.01	84.56
Transfer to General Reserve	—	—
Proposed dividend on shares of Rs 10/- each with Dividend tax thereon (Prorata for shares issued during the year)	—	18.62
Carried forward	0.01	65.94
	0.01	84.56

FOREIGN EXCHANGE EARNINGS & OUT GO

	(Rs. in Lakhs)	
	Year ended 31.3.98	Year ended 31.3.97
Earnings : Exports	1,789.06	1,685.47
Consultancy Income	—	9.70
Outgo : Import of raw materials	—	166.76
Travelling & conveyance	4.22	1.72
Agency commission, dividend etc.	25.89	41.71

FINANCE & OPERATIONS

Your Directors regret to report to you the loss for the year. The reason for this are several, some of which are stated below.

1. Increased depreciation on the Block of new project at Uluberia during its first year of operation which has resulted in increase in depreciation by Rs 70 Lacs.

2. Because of non functioning of Uluberia plant at full capacity, cash expenses to the tune of Rs 130 Lacs approx and depreciation to the extent of Rs 70 Lacs could not be absorbed. It is however heartening to note that, despite such unabsorbed expenses totalling to Rs 200 Lacs, Grey Iron Division has yielded good profits to bring down the loss to Rs 66 Lacs only.

Despite the above, your company kept its commitments to overseas customers.

The comparison of the Financial Results with projections indicated in the prospectus are as under :-

PARTICULARS	PROJECTIONS	ACTUALS
	(Rs. in Lakhs)	
Total Income	1,798.12	1,716.88
Gross Profit (Before interest, depreciation & taxation)	329.25	174.60
Interest	72.10	151.09
Depreciation	34.57	89.39
Tax Provision and tax paid for earlier year	51.86	0.05
Net Profit / (Loss)	170.72	(65.93)
Dividend	25%	—