

Annual Report 2014 - 2015



CARNATION INDUSTRIES LTD.

BOARD OF DIRECTORS

Mr. Ramesh Chandra Jha
Mr. Ravindra Prakash Sehgal
Mr. Suvabrata Saha
Mr. Arun Kumar Bose
Mr. Manoj Bose
Mr. Debajyoti Chakrabarti
Dr. Sephali Roy

- Chairman
- Managing Director
- Joint Managing Director
- Whole Time Director
- Independent Director
- Independent Director
- Independent Director (w.e.f. 9.4.2015)

REGISTERED OFFICE

28/1, Jheel Road
Liluah, P.O. Salkia, Howrah - 711 106
Telephone: (033) 2645 4785

AUDIT COMMITTEE

Mr. Ramesh Chandra Jha
Mr. Manoj Bose
Mr. Debajyoti Chakrabarti
Mr. Ravindra Prakash Sehgal
Mr. Suvabrata Saha

NOMINATION & REMUNERATION COMMITTEE

Mr. Debajyoti Chakrabarti
Mr. Ramesh Chandra Jha (upto 26.5.2015)
Mr. Manoj Bose
Dr. Sephali Roy (from 26.5.2015)

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Ramesh Chandra Jha
Mr. Ravindra Prakash Sehgal

COMPANY SECRETARY

Mr. Sanjay Agarwal

AUDITORS

M/s. Jain & Bagaria
Chartered Accountants
27/8A, Waterloo Street
Kolkata-700 069

BANKERS

State Bank of Hyderabad
Punjab National Bank

CORPORATE OFFICE

222, A. J. C. Bose Road
1st, Floor, Room No. 4 & 5
Kolkata – 700 017
Phone: (033) 2280 3127/2287 8229
Fax: (033) 2287 9938
E-Mail: info@carnationindustries.com
Website: www.carnationindustries.com

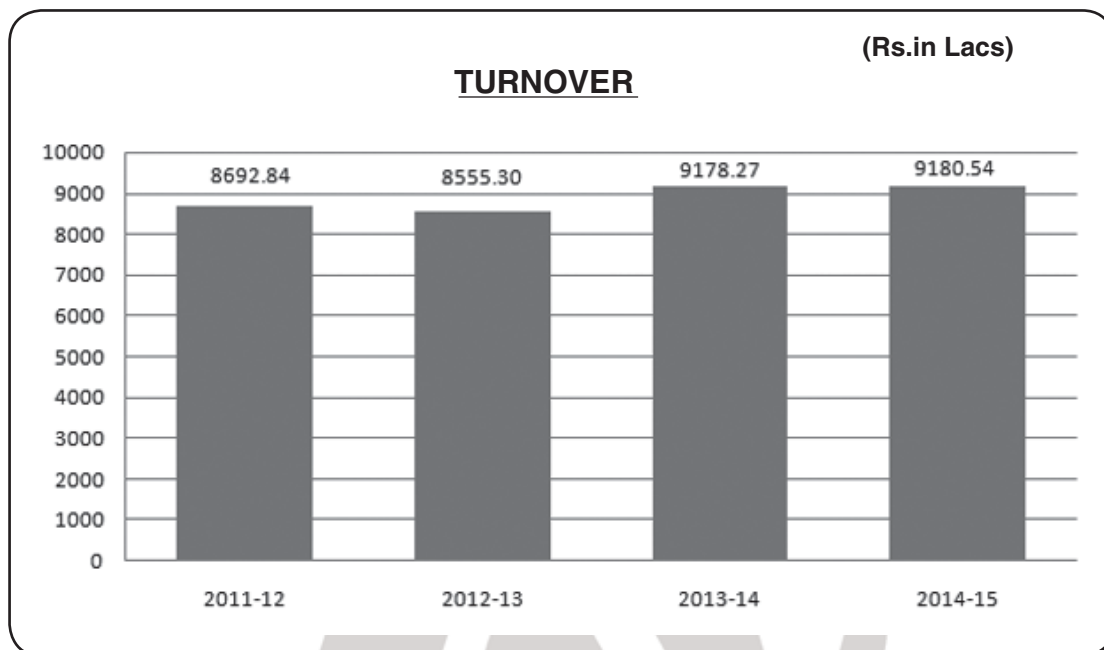
REGISTRAR & SHARE TRANSFER AGENTS

R&D Infotech Private Limited
7A, Beltala Road, 1st Floor
Kolkata – 700 026

Phone: (033) 24192641, 24192642
Email: rd.infotec@vsnl.net

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Mr. Ravindra Prakash Sehgal, Managing Director



Mr. Suvabrata Saha, Jt. Managing Director

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Members of Carnation Industries Limited will be held on Monday, 28th September, 2015 at 10.00 A.M. at "SARAT SADAN", 5, Mahatma Gandhi Road, Howrah- 711 101 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015 together with the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Arun Kumar Bose (DIN: 00131295) who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors and to fix their remuneration and in this regard 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 Sections 139 and 142 of the Companies Act, 2013 and relevant rules prescribed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution of the Members passed at the 31st Annual General Meeting held on 26th September, 2014, the appointment of M/s. Jain and Bagaria, Chartered Accountants (Registration No. 310045E) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting be and is hereby ratified, on a remuneration and reimbursement of expenses in connection with the audit of the accounts of the Company, to be fixed by the Board of Directors."

SPECIAL BUSINESS

5. 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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") including any statutory modification(s) or re-enactment thereof, for the time being in force, Dr. Sephali Roy (DIN 07151823) who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 9, 2015 and who holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 and Article 99 of the Company's Article of Association and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years i.e. upto 8th April, 2020 and whose office shall not be liable to retire by rotation."
6. 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 Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V 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, the Company hereby accords its approval for the re-appointment of Mr. R. P. Sehgal (DIN 00119477) as the Managing Director of the Company for a period of 5 years with effect from 1.9.2015, on such terms and conditions including remuneration as enumerated in the Explanatory Statement to this Notice and the Agreement dated 28th February, 2015 as placed before the meeting is hereby specifically approved.

RESOLVED FURTHER THAT in pursuance of the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder Mr. R. P. Sehgal, Managing Director of the Company, may be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Managing Director, within the overall ceiling as provided under Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolution.”

7. 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 Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V 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, the Company hereby accords its approval for the re-appointment of Mr. Suvabrata Saha (DIN 00131180) as the Jt. Managing Director of the Company for a period of 5 years with effect from 1.9.2015, on such terms and conditions including remuneration as enumerated in the Explanatory Statement to this Notice and the Agreement dated 12th February, 2015 as placed before the meeting is hereby specifically approved.

RESOLVED FURTHER THAT in pursuance of the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder Mr. Suvabrata Saha, Jt. Managing Director of the Company, may be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Jt. Managing Director, within the overall ceiling as provided under Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolution.”

By Order of the Board of Directors

Place : Kolkata
Date : 12.8.2015

(Sanjay Agarwal)
Company Secretary

NOTES

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.**

A person can act as proxy on behalf of member or members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members / Proxies should bring the attendance slip along with their copy of Annual Report to the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Statement containing details of the Directors seeking appointment/re-appointment at the Meeting as required under Clause 49 of the Listing Agreement is annexed.
6. Pursuant to the provision of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2015 to Monday, September 28, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
7. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched between October 5, 2015 to 10th October, 2015 to those members whose name shall appear on the Company's Register of Members on 23rd September, 2015. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner as on that date.
- 8.i. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Share Transfer Agents, M/s. R&D Infotech Pvt. Ltd. cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participants of the members.
- 8.ii. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrars and Share Transfer Agents, M/s. R & D Infotech Private Limited.

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9. The facility for making nomination is available to the members in respect of the shares held by him.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on all working days upto the date of the Meeting.
11. SEBI has made it mandatory for all Companies to use bank details furnished by the investors for distributing dividend to them through National Electronic Clearing Services (NECS), wherever NECS and bank details are available. In the absence of NECS facility, the Companies are required to print the bank details, if available, on payment instrument, for distribution of dividends to the investors. Therefore members holding shares in physical mode are requested to provide their bank details to the Company/Registrars. Members holding shares in demat mode are requested to record the NECS mandate with their Depository Participants.
12. Electronic copy of the Annual Report for 2014-15 and Notice of the 32nd Annual General Meeting of the Company interalia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent to all such members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Notice of the 32nd Annual General Meeting of the Company interalia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of 32nd Annual General Meeting and Annual Report for 2014-15 will also be available on Company's website : www.carnationindustries.com for their download.
13. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by NSDL. The Board of Directors of the Company has appointed Mrs. Sweety Kapoor, Company Secretary in Practice, as the Scrutinizer for this purpose.
- 14.i. Voting rights will be reckoned on the paid up value of shares registered in the name of the members as on 21st September, 2015 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or Ballot paper at the AGM.
- 14.ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
15. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
16. The Results shall be declared after the AGM of the Company. The Scrutinizer shall submit a consolidated scrutinizer report of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the AGM, to the Chairman of the Company. The

Chairman or any other person authorized by the Chairman, shall declare the results of the voting forthwith.

- 17.i. The result, alongwith the scrutinizer's report, will be placed on the company's website www.carnationindustries.com and on the website of NSDL immediately after the result is declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE and Calcutta Stock Exchange where the shares of the Company are listed.
- 17.ii. The voting rights of share holders shall be in proportion to their share of the paid up equity share capital of the Company. Those who became members of the company after despatch of the AGM notice but on or before 21st September, 2015 (cut-off date) may write to NSDL at evoting@nsdl.co.in or to the company at evoting@carnationindustries.com requesting for e-voting details. However, those members already registered with NSDL for remote e-voting can login to website: www.evoting.nsdl.com and exercise their votes using their existing password.
18. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent, M/s. R & D Infotech Private Limited.
19. The Company has transferred the unpaid or unclaimed dividends declared upto the financial year 2006-2007, within the due date to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company.
20. Members who have not registered their e-mail address so far are requested to register their e-mail address so that they can receive the Annual Report and other communications from the company electronically.
21. Information and other instructions relating to e-voting are as under: -
 - I. In case of Members who receive the Notice in electronic mode:
 - (a) Open the e-mail and the PDF file viz. 'CIL e-voting.pdf' with your Client ID No. (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com> and click on 'Shareholder – Login'.
 - (c) Insert user ID and password as initial password stated in (a) above.
Click on 'Login'.
 - (d) Password change menu appears. Change the password with a new password of your choice with minimum eight digits / characters or combination thereof. Please do not