

34th
Annual Report
2016 - 2017



CARNATION INDUSTRIES LTD.

BOARD OF DIRECTORS

Mr. Ravindra Prakash Sehgal
Mr. Suvabrata Saha
Mr. Arun Kumar Bose
Mr. Manoj Bose
Dr. Sephali Roy

- Managing Director
- Joint Managing Director
- Whole Time Director
- Independent Director
- Independent Director

REGISTERED OFFICE

28/1, Jheel Road
Liluah, P.O. Salkia, Howrah - 711 106
Telephone: (033) 2645 4785
Fax : (033) 2287 9938
CIN No. : L27209WB1983PLC035920

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

COMPANY SECRETARY

Mr. Sanjay Agarwal

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENTS

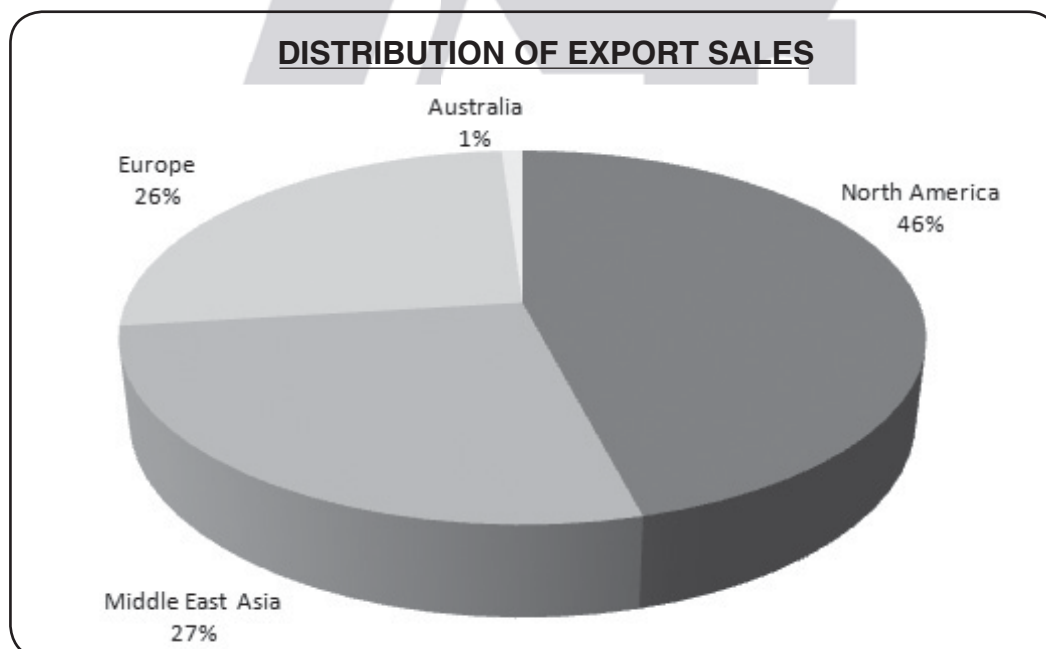
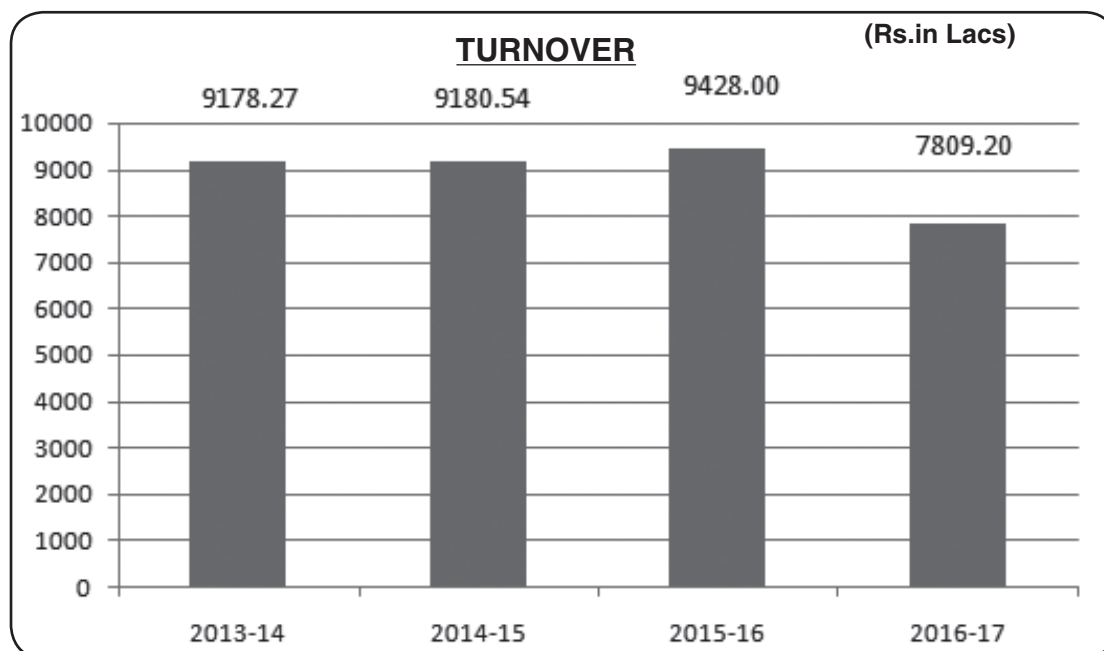
R&D Infotech Private Limited
7A, Beltala Road, 1st Floor
Kolkata – 700 026
Phone: (033) 24192641, 24192642
Email: rd.infotec@vsnl.net

BANKERS

State Bank of India*
Punjab National Bank
*(State Bank of Hyderabad - Our Banker in
2016-17 has been taken over by State Bank of
India on 1st April 2017)

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Mr. Ravindra Prakash Sehgal, Managing Director



Mr. Suvabrata Saha, Jt. Managing Director

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of Carnation Industries Limited will be held on Friday, 22nd September, 2017 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, 2017 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended March 31, 2017.
3. To appoint a Director in place of Mr. Suvabrata Saha (DIN 00131180) who retires by rotation and being eligible offers himself for re-appointment.
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 provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the recommendation of the Audit Committee and the Board of Directors, M/s Jain Saraogi & Co, Chartered Accountants (Firm Regn. No. 305004E), 1 Crooked Lane, Kolkata 700 069 be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 34th Annual General Meeting to the conclusion of the 39th Annual General Meeting i.e. for a term of 5(five) years, on such remuneration as may be fixed by the Board of Directors of the Company from time to time."

By Order of the Board of Directors

Place : Kolkata

Date : 11th August, 2017

(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/herself and such proxy need not be a member of the Company. Proxy forms in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the commencement of the meeting. A proxy form is enclosed herewith to be duly completed and signed.**
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 carrying voting rights. 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. Statement pursuant to Clause B(iv) of Section II of Part II of Schedule V of the Companies Act, 2013 in respect of the special resolutions passed at the 32nd Annual General Meeting held on 28th September, 2015 regarding appointment and payment of remuneration to Mr. Ravindra Prakash Sehgal and Mr. Suvobrata Saha, and a special resolution passed at the 33rd Annual General Meeting held on 28th September, 2016 regarding appointment and payment of remuneration to Mr. Arun Kumar Bose, which was not furnished in the Notice dated 12th August, 2015 and Notice dated 11th August, 2016 convening the above said Annual General Meetings, is being provided as an Annexure to this Notice and should be read along with Notice dated 12th August, 2015 and Notice dated 11th August, 2016.
3. Members / Proxies /Authorized Representatives should bring the attendance slip duly filled in along with their copy of Annual Report to the meeting. Proxy / Authorized Representative of a member should mark on the Attendance Slip as "Proxy" or "Representative" as the case may be. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID No. for easy identification of attendance at the meeting.
4. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The business set out in the Notice will also be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 25. The Company will also send communication relating to remote e-voting which inter-alia would contain details about User ID and Password along with a copy of this Notice to the members, separately.
6. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company at the Registered Office a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. Statement containing details of the Directors seeking re-appointment at the Meeting in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 read with Section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder is annexed hereto

and forms part of the Notice. The Director concerned has furnished the requisite declaration for his re-appointment.

8. 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 Saturday, September 16, 2017 to Friday, September 22, 2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. The dividend on Equity Shares, as recommended by the Board, if declared at the Meeting, will be credited/dispatched on and from Wednesday, 4th October, 2017 to those members whose name shall appear on the Company's Register of Members on 15th September, 2017, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar and Share Transfer Agents. 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.
- 10.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 Registrar 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 mandates. Such changes are to be advised only to the Depository Participants of the members.
- 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 / Registrar and Share Transfer Agents, M/s R & D Infotech Private Limited, quoting their folio number.
11. The facility for making nomination is available to the members in respect of the shares held by him. The members may submit such information in the prescribed form SH-13/14 as required, to the Company's Registrar and Share Transfer Agent.
12. Non-Resident Indian Members are requested to inform the RTA immediately of:
 - Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number.
13. 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, except Saturdays, upto the date of the Meeting.
14. 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/Registrar and Share

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Transfer Agents. Members holding shares in demat mode are requested to record the NECS mandate with their Depository Participants.

15. Electronic copy of the Annual Report for 2016-17 and Notice of the 34th 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 Participant(s) 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 34th 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 34th Annual General Meeting and Annual Report for 2016-17 will also be available on Company's website: www.carnationindustries.com for their download.
16. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, 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 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited ("NSDL"). The Board of Directors of the Company has appointed Mr. Arun Kumar Khandelia, Partner of M/s. K. Arun & Co., Company Secretaries in Practice, as the Scrutinizer for this purpose for conducting the entire process (including remote e-voting) in a fair and transparent manner.
- 17.i) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on 15th September, 2017 (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.
 - 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.
18. 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.
19. The scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting by ballot papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. 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 favor or against, if any, to the Chairman of the Company not later than 48 hours of the conclusion of the AGM. The Chairman or any other person authorized by the Chairman shall countersign the same and shall declare the results of the voting forthwith.
- 20.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 Limited and The Calcutta Stock Exchange Limited where the shares of the Company are listed.

- ii) The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company. Those who will become Members of the Company after dispatch of the AGM notice but on or before 15th September, 2017 (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: <https://www.evoting.nsdl.com> and exercise their votes using their existing password.
21. 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 Agents, M/s R & D Infotech Private Limited.
22. The Company has transferred the unpaid or unclaimed dividends declared upto the financial year 2008-2009, within the due date to the Investor Education and Protection Fund (the IEPF) established by the Central Government as per Section 124 of the Companies Act, 2013. Members who have not yet encashed their dividend warrant(s) for the financial years ended 31st March, 2010 onwards, are requested to make their claim to the Company accordingly, without any delay. Members wishing to claim dividends, which remain unclaimed, are requested to write to the Company Secretary & Compliance Officer at the Registered Office or to the Registrar and Share Transfer Agent of the Company. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund on due dates. The due date for transfer of the unclaimed /unpaid dividend for the subsequent years to IEPF are as follows:

Dividend for the Financial Year Ended	Due Date for the transfer to IEPF
March 31, 2010	October 30, 2017
March 31, 2011	October 29, 2018
March 31, 2012	November 3, 2019
March 31, 2013	November 1, 2020
March 31, 2014	November 1, 2021
March 31, 2015	November 3, 2022
March 31, 2016	November 3, 2023