

# **ANNUAL REPORT**

**2017 - 2018**



**CARNATION INDUSTRIES LTD.**

**BOARD OF DIRECTORS**

Mr. Manoj Bose	– Chairman & Independent Director
Mr. Ravindra Prakash Sehgal	– Managing Director
Mr. Suvabrata Saha	– Joint Managing Director
Mr. Arun Kumar Bose	– Whole Time Director
Dr. Sephali Roy	– Independent Director
Mr. Gautam Mukherjee	– 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](mailto:info@carnationindustries.com)  
Website: [www.carnationindustries.com](http://www.carnationindustries.com)

**COMPANY SECRETARY**

Mr. Sanjay Agarwal

**AUDITORS**

M/s. Jain Saraogi & Co.  
Chartered Accountants  
1, Crooked Lane  
Kolkata-700 069

**REGISTRAR AND SHARE TRANSFER AGENT**

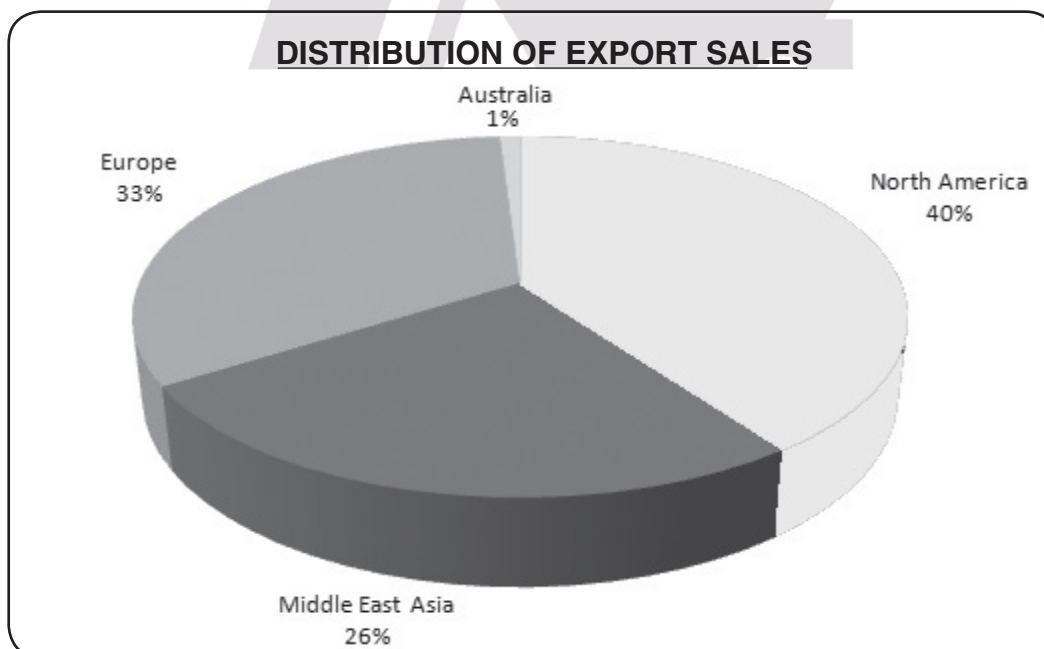
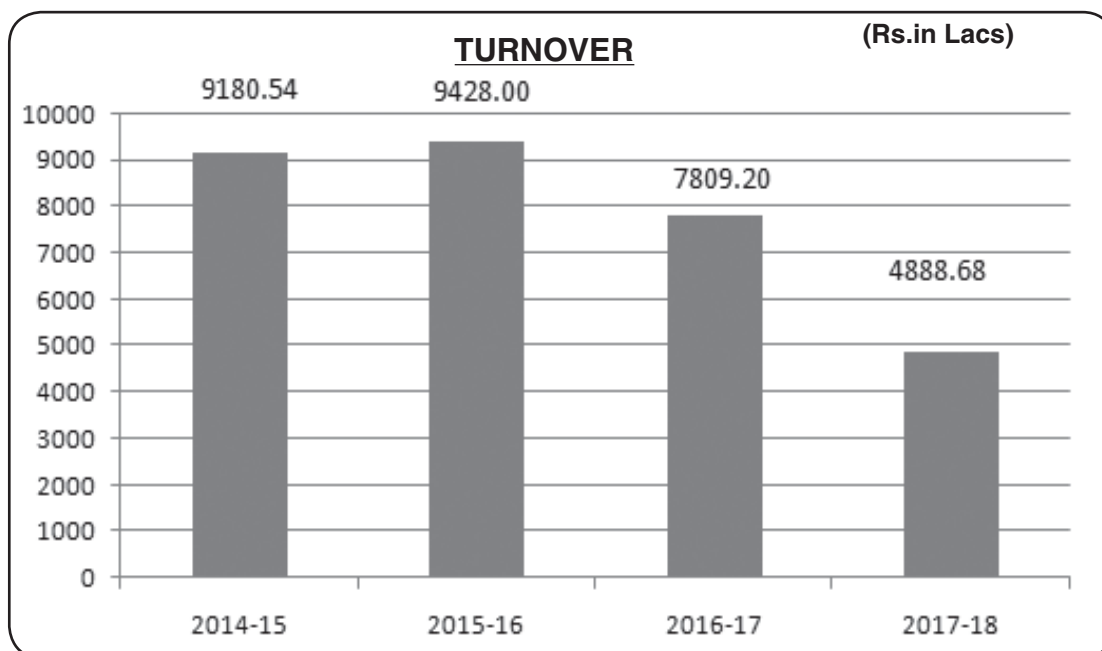
R&D Infotech Private Limited  
7A, Beltala Road, 1st Floor  
Kolkata – 700 026  
Phone: (033) 24192641, 24192642  
Email: [info@rdinfotech.net](mailto:info@rdinfotech.net)

**BANKERS**

State Bank of India  
Punjab National Bank

**CONTENTS**

	Page No.
Notice	5
Directors' Report & Management Discussion and Analysis Report	30
Auditors Report	58
Balance Sheet	68
Profit & Loss Account	69
Cash Flow Statements	71
Notes to Financial Statement	73





**Mr. Ravindra Prakash Sehgal, Managing Director, receiving the  
EEPC INDIA award from Mr. C. R. Chaudhury, Hon'ble Minister of State,  
Ministry of Commerce & Industry**



**Mr. Suvabrata Saha, Jt. Managing Director**

## **NOTICE**

Notice is hereby given that the 35th Annual General Meeting of the Members of Carnation Industries Limited will be held on Wednesday, 19th September, 2018 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, 2018 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ravindra Prakash Sehgal (DIN: 00119477) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

3. 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 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, Mr. Gautam Mukherjee (DIN: 08046326) who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 12, 2018 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 his 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 January 11, 2023 and whose office shall not be liable to retire by rotation."

4. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Manoj Bose (DIN: 06645209), be and is hereby re-appointed as an Independent Director of the Company to hold office for a further term of 5 (five) years from 1st April, 2019."

5. 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 ( “the Act”) 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, and the recommendations of the Nomination and Remuneration Committee and subject to all approvals, sanctions and permissions as may be necessary, the Company hereby accords its approval for the re-appointment of Mr. Arun Kumar Bose (DIN: 00131295), who has attained the age of 70 years, as the Whole time Director of the Company, liable to retire by rotation, for a further period of 3 years with effect from 1st October, 2018 on such terms and conditions including remuneration as enumerated in the Explanatory Statement to this Notice and contained in the Agreement dated 29th May, 2018 entered into by the Company with Mr. Arun Kumar Bose, which Agreement be and is hereby specifically approved with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Arun Kumar Bose, subject to the same being in conformity with the provisions of Schedule V of the Companies Act, 2013 for the time being in force.

**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. Arun Kumar Bose, Whole time Director of the Company, be paid the approved remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Whole time Director, within the overall ceiling as provided under Schedule V of 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.”

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

**“RESOLVED THAT** in pursuance of the provisions of Section 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and subject to the approval of the members of the Company and such other approvals, consents and permissions as may be required, Mr. Ravindra Prakash Sehgal (DIN: 00119477), Managing Director of the Company, be paid remuneration as enumerated in the Explanatory Statement to this Notice and contained in the Supplementary Agreement, which is placed before the Members and is hereby specifically approved, as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Managing Director.”



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

**“RESOLVED THAT** in pursuance of the provisions of Section 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and subject to approval of the members of the Company and such other approvals, consents and permissions as may be required Mr. Suvabrata Saha (DIN: 00131180) Jt. Managing Director of the Company, be paid remuneration as enumerated in the Explanatory Statement to this Notice and contained in the Supplementary Agreement, which is placed before the Members and is hereby specifically approved, 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.”

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

**“RESOLVED THAT** pursuant to Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for sale, lease, mortgages, charges, hypothecations or any other encumbrances as may be necessary on all moveable and immoveable assets and properties of the Company and whole or part of the undertaking of the Company, both present and future, in such manner as the Board/Committee of the Board may direct, to or in favour of any person, but not limited to, financial institutions, foreign financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, any other bodies corporate (hereinafter referred to as the “Lending Agencies”) and Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments availed / to be availed by the Company as the Board may deem fit, subject to the limits approved under Section 180(1)(c) of the Act from time to time together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements/Loan Agreements/ Debenture Trust Deeds entered/to be entered into by the Company in respect of the said borrowings and all acts, deeds and things done in this regards, be and are hereby ratified, approved and confirmed.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute



all such documents as may be necessary for giving effect to this Resolution.”

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

**“RESOLVED THAT** in supersession of earlier resolutions passed in this regard, pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies in any form, from one or more bodies corporate, banks, financial institutions, or from other entity by way of advances, loans, debentures/bonds or any other security(ies) or otherwise and whether secured or unsecured, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not, at any time, exceed the limit of Rs 100 Crore ( Rupees One Hundred Crore only).”

10. 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 applicable provisions of the Foreign Exchange Management Act, 1999, the Companies Act, 2013, to the extent applicable, the Consolidated Foreign Direct Investment Policy Circular of 2016 (“Consolidated FDI Policy”), as amended, the Foreign Exchange Management (Transferor Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and all other applicable laws, rules, regulations, guidelines and subject to the approvals, consents and permissions of the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India (“RBI”) and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of the concerned authorities while granting such approvals, permissions and sanctions and the like, which may be agreed to by the Board of Directors of the Company, (Board which term shall include any Committee there of which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded for holding of the Equity Shares of the Company by Non Resident Indians (NRIs), including investment under the Portfolio Investment Scheme (“PIS”) subject to the conditions that the aggregate holding of the NRIs shall not exceed 24% of the paid up equity share capital of the Company or such other limit as may be stipulated by Reserve Bank of India in each case, from time to time.

**RESOLVED FURTHER THAT** the Board or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies and to represent the Company before any government authorities and delegating all or any of the power conferred herein to any Committee or Directors of the Company.”

By Order of the Board of Directors

Place : Kolkata

Date : 14th August, 2018

(**Sanjay Agarwal**)  
Company Secretary

