

Annual Report 2019-20



Carnation Industries Ltd.

BOARD OF DIRECTORS

Dr. Sephali Roy
Mr. Ravindra Prakash Sehgal
Mr. Suvobrata Saha
Mr. Arun Kumar Bose
Mr. Subir Chatterjee

- Chairman & Independent Director
- Managing Director
- Joint Managing Director
- Whole Time Director
- Independent Director

REGISTERED OFFICE

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

CHIEF FINANCIAL OFFICER

Mr. Somnath Pradhan

COMPANY SECRETARY

Mr. Sanjay Agarwal

REGISTRAR AND SHARE TRANSFER AGENT

R & D Infotech Private Limited
7A, Beltala Road, 1st Floor
Kolkata – 700 026
Phone: (033) 2419 2641/2419 2642
Email: info@rdinfotech.net

AUDITORS

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

BANKERS

State Bank of India
Punjab National Bank
IDBI Bank

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NOTICE

Notice is hereby given that the 37th Annual General Meeting of the Members of Carnation Industries Limited will be held on Monday, 28th September, 2020 at 3 P.M., through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) 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 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arun Kumar Bose (DIN: 00131295) 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 an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company including any statutory modification(s) or re-enactment thereof, for the time being in force, Mr. Subir Chatterjee (DIN: 0008707324) who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from 22nd February, 2020 and who holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 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 from 22nd February, 2020 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 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the

Articles of Association of the Company 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 Independent Director of the Company at the 32nd Annual General Meeting held on 28th September, 2015 and who holds office upto 8th April, 2020 be and is hereby re-appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from 9th April, 2020 and whose office shall not be liable to retire by rotation.”

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, 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. Ravindra Prakash Sehgal (DIN: 00119477) as the Managing Director of the Company for a period of 5 (five) years with effect from 1st September, 2020, on such terms and conditions including remuneration which is approved for a period of 3 (three) years as enumerated in the Explanatory Statement to this Notice.

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. Ravindra Prakash 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.”

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, subject to the approval of Central Government, for the re-appointment of Mr. Suvobrata Saha (DIN: 00131180) as the Jt. Managing Director of the Company for a period of 5 (five) years with effect from 1st September, 2020 on such terms

and conditions including remuneration which is approved for a period of 3 (three) years as enumerated in the Explanatory Statement to this Notice.

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 : 27th July, 2020

(Sanjay Agarwal)
Company Secretary

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed personal present of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020, prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the 37th Annual General Meeting (AGM) of the members would be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith and available at the Company's website www.carnationindustries.com.
2. The Company will conduct the AGM through VC/OAVM from its Registered Office, i.e. 28/1 Jheel Road, Liluah, P.O. Salkia, Howrah- 711 106 which shall be deemed to be the venue of the meeting.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since, the AGM is being conducted through VC/OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. However, the participation of members holding 2% or more is not restricted on first come first serve basis. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15(fifteen) minutes after the schedule time. Participation is restricted upto 2200 members only.
5. 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.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business to be transacted at the AGM is annexed hereto.
7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote electronically at the AGM.

8. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share transfer books of the Company will remain closed from Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 both days inclusive.
9. Trading in Equity Shares of the Company is under compulsory demat trading. As per revised Regulation 40 of SEBI (LODR) shares are transferred only in dematerialized mode effective from 1st April, 2019 and therefore shareholders are requested to dematerialize their existing shares held in physical form.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020 the Notice calling the AGM has been uploaded on the website of the Company at www.carnationindustries.com/investors. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act and all other documents referred to in this Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to the Company at investor@carnationindustries.com.
12. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company or to the office of the Registrar & Share Transfer Agent, M/s R & D Infotech Private Limited, 7A, Beltala Road, 1st Floor, Kolkata – 700 026 enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio.
13. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar & Share Transfer Agent M/s R & D Infotech Private Limited, quoting their folio number.
14. The Company has transferred the unpaid or unclaimed dividends declared upto the financial year 2011-2012, 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, 2013 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, 2013	November 1, 2020
March 31, 2014	November 1, 2021
March 31, 2015	November 3, 2022
March 31, 2016	November 3, 2023
March 31, 2017	October 29, 2024
March 31, 2018	—
March 31, 2019	—
March 31, 2020	—

15. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit and Refund) Rules, 2016, as amended, the Company has, during the financial year 2017-2018, transferred to the IEPF Authority all shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to IEPF Authority are available on the website of the Company and the same can be accessed through the weblink: <https://www.carnationindustries.com/investors>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the weblink: www.iepf.gov.in.
- (b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <https://iepf.gov.in/iepfa/refund.html> or contact M/s. R & D Infotech Private Limited for lodging claim for refund of shares and/or dividend from the IEPF Authority.
16. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members (Physical/Demat) who have not registered their email addresses with the Company can get the same registered with the Company so that they can receive the Annual Report and other communications from the Company electronically.
17. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the Resolutions proposed to be passed at the AGM by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Monday, 21st September, 2020, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-Voting). The remote e-Voting period will commence at 9 A.M. on Friday, 25th

September, 2020 and will end at 5 P.M., on Sunday 27th September, 2020. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-Voting shall be eligible to vote at the AGM, detailed procedure is annexed herewith. The Company has appointed Mrs. Sweety Kapoor, Company Secretary in Practice, to act as the Scrutinizer to scrutinize the entire e-Voting process in a fair and transparent manner.

18. M/s. Jain Saraogi & Co., Chartered Accountants (Firm Registration No. 305004E), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 34th Annual General Meeting of the Company held on 22nd September, 2017 till the conclusion of the 39th Annual General Meeting of the Company. In view of the amendment made to Section 139 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2017 which is effective from 7th May, 2018, annual ratification of appointment of Statutory Auditors have been done away with.
19. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
20. The details of the process and manner for remote e-Voting are explained herein below:
Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password 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. directly to cast your vote electronically.
4. Your User ID details are given below :
 - 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 EVEN is 101456 and Folio Number is 001*** then user ID is 101456001***).

5. Your password details 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 e-mail 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.
 - 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, click 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.