CARNATION INDUSTRIES LIMITED

9/C KUMAR PARA ROAD 2ND FLOOR, LILUAH HOWRAH-711204
CIN: L25119WB1983PLC035920

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001
Scrip Code: 530609

November 23, 2026

Sub: Annual Report of the Company for the FY 2023-24

Dear Sir/Ma'am,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the copy of Annual Report of the Company for the Financial Year 2023-24.

The Company underwent the Corporate Insolvency Resolution Process ("CIRP") pursuant to the order dated September 12, 2023, passed by the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), during which the powers of the Board stood suspended and the management and affairs of the Company were vested in the Resolution Professional, resulting in the non-convening of the AGM for FY 2023-24 within the prescribed statutory timeline. Subsequently, the Resolution Plan was approved by the Hon'ble NCLT vide its order dated June 5, 2024, pursuant to which the management and control of the Company were transferred to the new management. The Company conducting AGM for FY 2023-24 on December 16, 2026 for compliance purposes.

We request you to kindly take the above information on record and oblige.

For **Carnation Industries Limited**

BHAWNA GUPTA
Digitally signed by BHAWNA GUPTA
Date: 2026.11.23 12:50:44 +05'30'

Bhawna Gupta
Director (DIN: 10101543)

CARNATION INDUSTRIES LIMITED

ANNUAL REPORT

FINANCIAL YEAR 2023-24

RESOLUTION PROFESSIONAL / BOARD OF DIRECTORS

S. No.	Name of the Director	Category
1.	Mr. Anubrata Gangoly appointed vide NCLT order, Kolkata Bench w.e.f. September 12, 2023	Resolution Professional
2.	Dr. Sephali Roy**	Chairman & Independent Director
3.	Mr. Ravindra Prakash Sehgal**	Managing Director
4.	Mr. Suvobrata Saha*	Joint Managing Director
5.	Mr. Subir Chatterjee**	Independent Director
6.	Mr. Arun Kumar Bose**	Non-Executive Director
7.	Ms. Bhawna Gupta***	Executive Director
8.	Ms. Mansi Gupta***	Independent Director
9.	Ms. Poonam Dhingra***	Independent Director
10.	Ms. Sony Kumari***	Independent Director

*** Resigned w.e.f. April 13, 2023**
**** Suspended w.e.f. vide NCLT order, Kolkata Bench w.e.f. September 12, 2023**
***** Appointed w.e.f. June 05, 2025 (Existing Directors)**

CORPORATE INFORMATION

Registered Office:
9/C Kumar Para Road 2nd Floor, Liluah, Howrah, West Bengal, India, 711204

CIN: L27209WB1983PLC035920
Website: www.carnation.org.in
Email id: carnationindustrieslimited@gmail.com

RTA

R & D Infotech Private Limited
15C, Naresh Mitra Sarani, Kolkata - 700026
E-mail Id**:** rdinfo.investors@gmail.com

CHIEF FINANCIAL OFFICER	**COMPANY SECREATARY & COMPLIANCE OFFICER**
Mr. Bhartendu Pratihasta^	Mr. Sanjay Agarwal resigned w.e.f. May 9, 2023 Mr. Sanjog^^

LISTED ON STOCK EXCHANGE

BSE LIMITED (SCRIP CODE: 530609)
& CALCUTTA STOCK EXCHANGE LIMITED

^ Appointed w.e.f. July 07, 2025 ^^ Appointed w.e.f. February 26, 2026

NOTICE

NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING (FOR THE FINANCIAL YEAR 2023-24) OF THE MEMBERS OF CARNATION INDUSTRIES LIMITED WILL BE HELD ON WEDNESDAY, 16TH DAY OF DECEMBER, 2026 AT 12:30 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO- VISUAL MEANS ("OAVM")

ORDINARY BUSINESS:

ITEM NO. 1-

TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024 AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON.

To considerand if thought fit, to pass the following resolution as an Ordinary Resolution;

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon as circulated to the Members, be and are hereby consideredand adopted.**"**

SPECIAL BUSINESS:

ITEM NO. 2

CHANGE IN NAME OF THE COMPANY AND CONSEQUENTIAL AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and if thought fit, to pass the following resolution as Special Resolution;

"RESOLVED THAT pursuant to the provisions of Section(s) 4, 5, 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Regulation 45 of the SEBI Listing Regulations (as amended up to date), the provisions of the Memorandum and Articles of Association of the Company, any other applicable law(s), rule(s), regulation(s), guideline(s), circular(s) for the time being in force and subject to all other necessary approvals, consents, sanctions and permissions as may be required under applicable laws including that of the Central Government (Ministry of Corporate Affairs or MCA), Stock Exchanges and any other appropriate regulatory/statutory authorities/departments as may be necessary, the consent of the Members of the Company be and is hereby accorded to change the name of the Company from **'Carnation Industries Limited'** to **'Chateau Indage Beverages Limited'.**

RESOLVED FURTHER THAT upon issuance of the fresh certificate of incorporation by the Registrar of Companies consequent upon change of name, the Memorandum of Association and the Articles of Association, and other relevant documents, papers and places, as applicable shall stand altered as below:

*I. The Name of the Company is **'Chateau Indage Beverages Limited'***

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any of its duly constituted Committee or any officers / executives / representatives / legal counsels / advisors / consultants and / or any other person so authorized by the Board) and/or Company Secretary of the Company, severally and jointly, be and are hereby authorized, on behalf of the Company to perform all such acts, deeds, matters and things as may be required or deemed necessary or incidental thereto including signing

and filing of all the e-forms and other documents with the statutory / regulatory authorities, and to execute all such forms, papers, deeds, documents, instruments, writings as may be necessary including appointing attorneys or authorized representatives under appropriate Letter(s) of Authority to appear before the applicable offices of the MCA and other regulatory authorities, to file required documents and information to the Stock Exchanges and such other authority(s) as may be required from time to time and to do all such acts, deeds and things as may be required in this connection including the power to delegate all or any of the powers conferred herein, or otherwise as deemed fit by the Board to be in the best interest of the Company in order to give effect to this Resolution without being required to seek further consent or approval of the Members or otherwise."

ITEM NO. 3

SHIFTING OF REGISTERED OFFICE OF THE COMPANY FROM ONE STATE TO ANOTHER STATE AND TO ALTER THE SITUATION CLAUSE OF THE MEMORANDUM OF ASSOCIATION

To consider and if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 12, 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder, Securities and Exchange Board of India (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, powers delegated to Regional Director, and such other approvals, permissions and sanctions as may be required under the provisions of the Act, 2013 or under any other law for the time being in force, the consent of the Members of the Company be and is hereby accorded for shifting the Registered Office of the Company from the one state to another state i.e. from the "STATE OF WEST BENGAL" to the "NATIONAL CAPITAL TERRITORY OF DELHI"

RESOLVED FURTHER THAT upon shifting of the registered office becoming effective, the consent of the members of the Company be and is hereby accorded for substituting Clause II of the Memorandum of Association of the Company with the following clause:

II. ***The registered office of the company situated in the National Capital Territory of Delhi***

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any director and/or Key Managerial Personnel of the company, be and are hereby authorized to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate, to represent the Company and appear on its behalf before the Central Government, Regional Director, Registrar of Companies, and including filing of e-forms and to do all such acts, deeds, things necessary or incidental to give effect to this resolution."

By Order of the Board of Directors
for **CARNATION INDUSTRIES LIMITED**

BHAWNA GUPTA
Digitally signed by BHAWNA GUPTA
Date: 2026.11.23 12:51:48 +05'30'

Date: November 21, 2026
Place: New Delhi

Bhawna Gupta
Director (DIN: 10101543)

NOTES

GENERAL INFORMATION

1. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, AGM shall be conducted through VC/ OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. 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.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secret arial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the. The Notice can also be accessed from the websites of the Stock Exchanges where securities are listed and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility).

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on December 13, 2026 at 9:00 A.M. and ends on Monday, December 15, 2026 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. December 9, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being December 9, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user 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 email 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.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   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, tick 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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number to Company. The same will be replied by the company suitably.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 2

To effectively reflect the Company's strategic transformation and renewed focus on the beverages and allied segments, the Board of Directors at their meeting held on November 21, 2026 approved change in name of the Company from "Carnation Industries Limited" to "**Chateau Indage Beverages Limited**", in alignment with its evolving business model, brand vision, and long-term growth strategy within the fastmoving consumer goods and beverages sector and consequent alteration in the Name Clause of the Memorandum and Articles of Association of the Company. The provisions of the Companies Act, 2013 and rules made thereunder requires the Company to obtain approval of Members by a Special Resolution for effecting change in the Company name and consequential alteration in the Memorandum and the Articles of Association.

Certificate from a Practicing Chartered Accountant stating compliance with conditions provided in sub regulation (1) of regulation 45 of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015 is as enclosed as Annexure -A.

The proposed change of name of the Company would not result in change of the legal status or constitution or operations or activities of the Company, nor would it affect any rights or obligations of the Company or the Members / stakeholders and would be subject to approval of Ministry of Corporate Affairs.

The Board recommends the proposed resolution set forth in Item No. 2 for the approval of the members by passing the special resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, has any concern or interest, financial or otherwise, in the proposed resolution.

ITEM NO. 3

The Board of Directors of the Company at their meeting held on November 21, 2026, has approved to shift the Registered Office of the Company from the State of West Bengal to the National Capital Territory of Delhi, in order to align with the Company's evolving business operations and strategic objectives and to ensure better administrative efficiency.

The registered office of the Company being at very distant place, and the management has been facing operational difficulties in managing the affairs of the Company. It results in delay in receipt of the correspondences from the various authorities, and consequently delays in action, especially which require the execution in a time-bound manner.

The management is of the view that shifting of registered office of the Company to National Capital Territory of Delhi shall enhance the effective participation of the shareholders in the general meetings of the Company.

The shifting of Registered Office will not be prejudicial to the interest of any employees, shareholders, creditors or any other stakeholders. In terms of Section 12, 13, 110 and other applicable provisions of the Act, 2013 read with Rules made thereunder, such shifting of Registered Office from one state to another and consequent alteration of the Memorandum of Association ("MOA") requires the approval of the Members of the Company by way of Special Resolution and approval of the Central Government, power delegated to Regional Director.

The Board recommends the resolution set forth in Item No. 3 for the approval of the members by way of passing a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

By Order of the Board of Directors
for **CARNATION INDUSTRIES LIMITED**

BHAWNA GUPTA
Digitally signed by BHAWNA GUPTA
Date: 2026.11.23 12:52:35 +05'30'

Date: November 21, 2026
Place: New Delhi

Bhawna Gupta
Director (DIN: 10101543)

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and issued circulars stating that the service of notice/documents including Annual Reports can be sent through e-mail to its members. To support this green initiative of the Government in full measure members who have not registered their e-mail address so far are requested to register their e-mail addresses in respect of electronic holding with the Depository through their concerned Depository Participants and in respect of holding in physical mode with the Company/Registrar and Share Transfer Agent of the Company.

JHA GUNJAN & ASSOCIATES.
Chartered Accountants

Date: -21.11.2026

To,

The Chief General Manager

Listing Operation,

BSE Limited,

20th Floor, P.J. Towers,

Dalal Street,

Mumbai - 400 001.

Dear Sir/Madam,

Sub: Issuance of Certificate as per Regulation 45(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

On the basis of review of necessary documents, records, and available information as of the date of the certificate and explanation provided to us by CARNATION INDUSTRIES LIMITED (CIN: L27209WB1983PLC035920) (the "Company"), having its registered office at 9/C Kumar Para Road 2nd Floor, Liluah Howrah-711204, and corporate office at G-2 34/1 Vikas House, East Punjabi Bagh, Punjabi Bagh Sec - III, West Delhi, New Delhi, Delhi, India, 110026, we certify the following in terms of Regulation 45(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation) :-

a). The time period of at least one year has elapsed from the last name change:

The Company had last changed its name from Carnation Enterprises Limited to 'Carnation Industries Limited' on 05.01.1995. In view of the same, the Company is in compliance with the condition of time period of at least one year being elapsed from the last name change.

b). The condition of at least fifty percent of the total revenue in the preceding one- year period to be accounted for by the new activity suggested by the new name

The company has sought members' approval in its Annual General Meeting held on September 30, 2025 for change in object clause of the Memorandum of Association, to into winery

Gunjan Jha Digitally signed by Gunjan Jha Date: 2026.11.21 17:17:46 +05'30'

business, however such activities do not reflect in the company's existing name. Hence, this condition is not applicable.

c). The amount invested in the new activity/project is at least fifty percent of the assets of the listed entity, does not arise.

This certificate is issued as per requirements of Regulation 45(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. To effectively reflect the Company's strategic transformation and renewed focus on the beverages and allied segments, the Board of Directors at their meeting held on November 21, 2026 approved change in name of the Company from "Carnation Industries Limited" to **" CHATEAU INDAGE BEVERAGES LIMITED"**in alignment with its evolving business model, brand vision, and long-term growth strategy within the fastmoving consumer goods and beverages sector and consequent alteration in the Name Clause of the Memorandum and Articles of Association of the Company.

Given the above, the company is not seeking the name change as per the conditions specified under Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 but to align the Company's name with its product offerings and to enhance its brand identity.

NOTE:

This Certificate is issued at the specific request of Carnation Industries Limited.

We do not have the responsibility to update this Certificate for events occurring after the date of certificate.

For Jha Gunjan & Associates
Chartered Accountants
Firm Registration No.: 029506N

Gunjan Jha
Digitally signed by Gunjan Jha
Date: 2026.11.21 17:16:37 +05'30'

CA Gunjan Jha
Proprietor
Membership No.: 529511
UDIN: 26529511QPOVBE2012
Place: Delhi
Date: 21/11/2026

DIRECTOR'S REPORT / RESOLUTION PROFESSIONAL REPORT

To,
Dear Members,

Your directors have pleasure in presenting the Annual Report (FY 2023-24) of Carnation Industries Limited with the Audited Financial Statements along with Auditor's Report for the year ended March 31, 2024.

1. FINANCIAL PERFORMANCE

(In Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Revenue from Operations	-	-
Other Income	-	3.22
Total Revenue	-	3.22
Expenses for the period	47.15	76.42
Profit/(Loss) before tax from continuing Operations	(47.15)	(73.20)
Current Income Tax for the period	-	18.01
Deferred Tax	2.15	(0.62)
Profit/(Loss) for the period	(49.30)	(90.58)

2. REVIEW OF OPERATIONS AND STATEMENT OF COMPANY'S AFFAIRS

During the financial year 2023–24, Carnation Industries Limited was admitted into the Corporate Insolvency Resolution Process (CIRP) pursuant to the order dated 12th September, 2023 passed by the Hon'ble NCLT, Kolkata Bench. Consequently, the powers of the Board of Directors stood suspended and the management and affairs of the Company were vested in the Interim Resolution Professional (IRP), subsequently appointed as Resolution Professional (RP), in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. The affairs of the Company were managed by the IRP/RP during the CIRP period with the objective of facilitating resolution and revival of the Company.

3. CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) AND SUBSEQUENT APPROVAL OF RESOLUTION PLAN

During the financial year under review, Carnation Industries Limited (hereinafter referred to as the "Company") was admitted into the Corporate Insolvency Resolution Process ("CIRP") pursuant to an order dated September 12, 2023, passed by the Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench, under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), in an application filed by the Operational Creditor, Mr. Lal Behari Singh.

Pursuant to the aforesaid order, Mr. Anubrata Gangoly was appointed as the Interim Resolution Professional ("IRP") to take over the management and affairs of the Company. In accordance with Section 17 of the IBC, the powers of the Board of Directors stood suspended and the management and control of the affairs of the Company vested in the IRP. Subsequently, Mr. Anubrata Gangoly was appointed as the Resolution Professional ("RP") on November 18, 2023, to conduct and facilitate the CIRP.

During the CIRP, the RP undertook various statutory and procedural steps in accordance with the provisions of the IBC and the regulations framed thereunder, including issuance of

public announcement inviting claims from creditors, verification and collation of claims, constitution of the Committee of Creditors ("CoC"), appointment of registered valuers, preparation of the Information Memorandum and invitation of Expressions of Interest from prospective resolution applicants.

The RP received two resolution plans, including one submitted by Mr. Vikas Garg and another submitted by a body corporate. Both resolution plans were placed before the CoC for consideration and evaluation. At its 12th meeting held on April 18, 2024, the CoC approved the resolution plan submitted by Mr. Vikas Garg with 100% voting share. Accordingly, a Letter of Intent was issued to Mr. Vikas Garg on April 25, 2024, declaring him as the Successful Resolution Applicant.

Subsequent to the close of the financial year ended March 31, 2024, the RP filed an application before the Hon'ble NCLT, Kolkata Bench, seeking approval of the resolution plan in accordance with Sections 30(6) and 31(1) of the IBC. The Hon'ble NCLT, Kolkata Bench, Court II, vide its order dated June 5, 2024, approved the resolution plan submitted by Mr. Vikas Garg under Section 31 of the IBC. Pursuant to the terms of the approved resolution plan, the existing paid-up equity share capital of the Company was required to be cancelled and fresh equity shares were to be issued in accordance with the approved plan. The implementation of the resolution plan, including cancellation of the existing equity share capital and allotment of fresh equity shares, was undertaken subsequently.

The Board of Directors places on record its appreciation for the efforts and contribution of the IRP/RP, the CoC and all other stakeholders involved in the CIRP and resolution process, which culminated in the approval of the resolution plan and provided an opportunity for the revival of the Company.

4. DIVIDEND

The Board of Directors of the Company has decided not to recommend any dividend for the financial year under consideration, in view of the losses incurred by the Company during the said financial year.

5. TRANSFER TO GENERAL RESERVES

The Company has not transferred any sum to the General Reserves Account during the reporting period.

6. CHANGES IN THE NATURE OF BUSINESS

There has been no change in the nature of business during the financial year 2023-24.

7. REGISTERED AND CORPORATE OFFICE

The proposal for shifting the Registered Office of the Company from the State of West Bengal to the National Capital Territory of Delhi is under consideration, subject to obtaining the requisite approvals of the members of the Company, the Regional Director, Ministry of Corporate Affairs, and such other statutory authorities as may be required under the provisions of the Companies Act, 2013 and the rules made thereunder.

The proposed shifting is intended to align the Registered Office of the Company with its evolving business operations and strategic objectives, while facilitating better administrative coordination and operational efficiency. Further, the Directors and Key Managerial Personnel of the Company are primarily based in Delhi and are overseeing the management and affairs of the Company from Delhi. Pending completion of the requisite statutory approvals and formalities for shifting of the Registered Office, the Company continues to operate from its Corporate Office situated at G-2, 34/1, Vikas House, East Punjabi Bagh, New Delhi – 110026, which became operational as

the Company's Corporate Office with effect from 18th November, 2024. The proposed change in the Registered Office shall be given effect to only upon receipt of all requisite statutory approvals and completion of the prescribed legal formalities.

8. CHANGE IN NAME

The Company is considering a proposal for changing its name from **Carnation Industries Limited** to '**Chateau Indage Beverages Limited'**, with a view to aligning the corporate identity of the Company with its proposed business vision, future growth plans and strategic objectives.

The proposed change in name shall be subject to the approval of the Members of the Company by way of a Special Resolution, as well as the approval of the Registrar of Companies, Ministry of Corporate Affairs, and such other statutory and regulatory authorities as may be required under the provisions of the Companies Act, 2013 and the rules made thereunder.

The Company shall undertake the necessary statutory filings and comply with all applicable legal and regulatory requirements in connection with the proposed change of name. The proposed change shall become effective only upon receipt of the requisite approvals and issuance of a fresh Certificate of Incorporation by the Registrar of Companies.

Until completion of the aforesaid statutory formalities, the Company shall continue to operate under its existing name, **Carnation Industries Limited**.

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of your Company occurring between the end of the Financial Year and the date of this Report.

10. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2026-27. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of the Annual report.

11. PUBLIC DEPOSITS

Our Company has not accepted any deposits during the year under review within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 and any amendment thereof.

12. AUDITORS

a) Statutory Auditor

Pursuant to the provisions of section 139(8) of the Companies Act, 2013 and rules frame thereunder M/s. Jain Saraogi and Co, Chartered Accountants, (Firm Registration Number: 305004E) has been appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of Annual General Meeting held in 2022 till the conclusion of Annual General Meeting of the Company to be held in 2027, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined in consultation with the Auditors and duly approved by the members of the Company.

Auditor's Report

The Statutory Auditors' Report on the financial statements of the Company for the financial year ended 31st March, 2024 contains certain qualifications, reservations and adverse remarks. The Resolution Professional, during the Corporate Insolvency Resolution Process (CIRP), furnished the necessary explanations and responses to the observations raised by the Statutory Auditors, based on the information and records available with the Company, in accordance with the applicable provisions of the Insolvency and Bankruptcy Code, 2016.

The observations and comments of the Statutory Auditors, together with the explanations furnished by the Resolution Professional, wherever applicable, form part of the Auditors' Report and are required to be read together with the financial statements.

Further, no instance of fraud requiring reporting by the Statutory Auditors under Section 143(12) of the Companies Act, 2013, was reported during the financial year under review.

The Statutory Auditors' Report, along with the financial statements for the financial year ended 31st March, 2024, forms an integral part of this Annual Report.

b) Secretarial Auditor

The Secretarial Auditor conducted the Secretarial Audit of the Company for the financial years 2023-24 in accordance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Secretarial Audit Report

The Secretarial Audit Report for the financial year ended 31st March, 2024 in the format prescribed (Form MR-3) as provided by Prachi Bansal and Associates, the Company Secretary in Practice has been annexed to the Report. (Annexure-I).

c) Internal Auditor

The Company has appointed M/s Jha Gunjan & Associates (FRN- 029506N, COP -529511), Practicing Chartered Accountants as an Internal Auditor of the Company as per the requirements of the section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, and other applicable provisions of the Act.

13. SHARE CAPITAL

During the financial year 2023–24, the Authorised Share Capital of the Company stood at Rs. 7,00,00,000/- (Rupees Seven Crores Only), divided into 70,00,000 (Seventy Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

Subsequent to the close of the financial year, the Members of the Company, at their meeting held on 17th October, 2025, approved the increase in the Authorised Share Capital of the Company from Rs. 7,00,00,000/- (Rupees Seven Crores Only), divided into 70,00,000 Equity Shares of Rs. 10/- each, to Rs. 35,00,00,000/- (Rupees Thirty-Five Crores Only), divided into 3,50,00,000 Equity Shares of Rs. 10/- each.

The requisite statutory filing in Form SH-7 with the Registrar of Companies is under process. Accordingly, the increased Authorised Share Capital is yet to be reflected in the records of the Ministry of Corporate Affairs as on the date of this Report.

The Paid-up Share Capital of the Company as on March 31, 2024 stands at is Rs. 3,45,71,600 /- (Rupees Three Crores Forty-Five Lakh Seventy-One Thousand Six Hundred Only) comprising of 34,57,160 Equity Shares of Rs.10/- each (Rupees Ten Only) each.

a) Issue of equity shares with differential rights

The Company has not issued any equity shares with differential rights so no disclosure is required as per Rule (4) of the Companies (Share Capital and Debentures) Rules 2014.

b) Issue of sweat equity shares the Company

The Company has not issued sweat equity shares, so no disclosure is required as per Rule 8(13) of the Companies (Share Capital and Debentures) Rules 2014.

c) Issue of employee stock options

The Company has not issued employee stock options, so no disclosure is required as per Rule 12(9) of theCompanies (Share Capital and Debentures) Rules 2014.

d) Provision of money by company for purchase of its own share by employees or by trustee for the benefit ofemployees

The Company has not made any provision for purchase of its own share of employees or by the trustee for the benefit of employees so no disclosure is required as per Rule 16(4) of the Companies (Share Capital and Debentures) Rules 2014.

14. EXTRACT OF THE ANNUAL RETURN

The Ministry of Corporate Affairs vide Notification dated 05.03.2021 (effective from same date) has Made Amendment in Rule 12 of Companies (Management and Administration), Rules, 2014, Omitting Requirement of Attaching MGT – 9 – Extract of Annual Report in the Board Report, Hence the Form MGT-9 doesn't form part of this Board Report.

The copy of annual return under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies(Management and Administration) Rules, 2014 in Form MGT-7 is available on the website of the Company.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGSAND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. Conservation of energy: **N.A.**
   - (i) the steps taken or impact on conservation of energy;
   - (ii) the steps taken by the Company for utilizing alternate sources of energy;
   - (iii) the capital investment on energy conservation equipment's;

B. Technology absorption: **N.A.**
   - (i) the efforts made towards technology absorption;
   - (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
   - (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year :-
     - (a) the details of technology imported;
     - (b) the year of import;
     - (c) whether the technology been fully absorbed;
     - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and the expenditure incurred on Research and Development.

C. Foreign exchange earnings and Outgo:

The Company had no foreign exchange earnings and outgo during the financial year.

16. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, top Thousand (1000) listed entities based on market capitalization shall contain the Business Responsibility Report in their Annual Report. As the Company does not fall under top 1000 listed Companies based on market capitalization, therefore, this regulation is not applicable to the Company.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the Regulation 34(2)(e) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report (MDAR) is set out in the Annual Report. (Annexure II).

18. POLICIES

Company has the following policies:

- Policy on Preservation of Documents and Archives Management as per Regulation 9 and 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Policy for Disclosure of events/ information and Determination of materiality as per Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Policy on Materiality of Related Party Transactions as per Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Policy for determining material subsidiary as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Above Policies along with the other policies which are applicable on the website of the Company.

19. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED

The Corporate Insolvency Resolution Process (CIRP) of the Company was successfully concluded pursuant to the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated June 5, 2024. Consequent to the implementation of the approved Resolution Plan, the Company underwent capital restructuring, induction of a new promoter, and reconstitution of its shareholding pattern, enabling the revival and continuity of its business operations.

20. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to provisions of Section 135 of the Companies Act, 2013, every company having a Net Worth of Rupees Five Hundred Crore (Rs.500 Crore) or more; or Turnover of Rupees One Thousand Crore (Rs.1000 Crore) or more; or Net Profit is Rupees Five Crore (Rs.5 Crore) or more during the immediately preceding financial year, is required to constitute a Corporate Social Responsibility Committee ("CSR Committee") of the Board. But this provision is not applicable to your company; as during the immediately preceding financial year, company has not reached this limit.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year under review, the Company was admitted into the Corporate Insolvency Resolution Process (CIRP) pursuant to the order dated 12th September, 2023 passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. Consequently, in accordance with the provisions of Section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board of Directors stood suspended and the management and control of the affairs of the Company vested in the Interim Resolution

Professional (IRP), who was subsequently appointed as the Resolution Professional (RP).

Accordingly, during the CIRP period, the management and affairs of the Company were administered by the IRP/RP in accordance with the provisions of the IBC and the directions of the Hon'ble NCLT.

Subsequent to the close of the financial year, the Resolution Plan submitted by Mr. Vikas Garg was approved by the Hon'ble NCLT, Kolkata Bench, vide its order dated 5th June, 2024. Pursuant to the approval of the Resolution Plan, the management and control of the Company underwent a change and the Board of Directors was reconstituted in accordance with the terms of the approved Resolution Plan.

Consequently, the following Directors were appointed to the Board of the Company with effect from 5th June, 2024:

1. Ms. Bhawna Gupta – Executive Director;
2. Ms. Poonam Dhingra – Independent Director;
3. Ms. Mansi Gupta – Independent Director; and
4. Ms. Sony Kumari – Independent Director.

The erstwhile Directors ceased to hold office with effect from 5th June, 2024, pursuant to the implementation of the approved Resolution Plan and the consequent reconstitution of the Board.

As the Board of Directors stood suspended during the CIRP period, the management and affairs of the Company were administered by the IRP/RP until the approval of the Resolution Plan by the Hon'ble NCLT.

22. DECLARATION BY THE INDEPENDENT DIRECTOR

During the financial year under review, the Company was admitted into the Corporate Insolvency Resolution Process (CIRP) pursuant to the order dated 12th September, 2023 passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. Consequently, the powers of the Board of Directors stood suspended and the management and affairs of the Company were vested in the Interim Resolution Professional/Resolution Professional in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

Accordingly, no declarations from Independent Directors under Section 149(7) of the Companies Act, 2013 were applicable during the period under review, as the Board stood suspended during the CIRP.

23. PERFORMANCE EVALUATION

During the financial year under review, the Company was admitted into the Corporate Insolvency Resolution Process (CIRP) pursuant to the order dated 12th September, 2023 passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. Consequently, the powers of the Board of Directors stood suspended and the management and affairs of the Company were vested in the Interim Resolution Professional (IRP), subsequently appointed as the Resolution Professional (RP), in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

In view of the suspension of the powers of the Board of Directors during the CIRP period, the annual performance evaluation of the Board as a whole, its committees and individual Directors, including the Independent Directors, as contemplated under the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, could not be undertaken for the financial year under review.

The management and affairs of the Company during the CIRP period were administered by the IRP/RP in accordance with the applicable provisions of the Insolvency and Bankruptcy Code, 2016.

24. NUMBER OF MEETINGS OF THE BOARD

During the financial year 2023–24, two (02) meetings of the Board of Directors of the Company were held on 29th May, 2023 and 11th August, 2023, respectively. Adequate quorum, as prescribed under the Companies Act, 2013, was present at both the meetings.

Subsequently, pursuant to the order dated 12th September, 2023 passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, the Company was admitted into the Corporate Insolvency Resolution Process (CIRP), resulting in suspension of the powers of the Board of Directors in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. Accordingly, no meetings of the Board of Directors were convened after commencement of the CIRP, and the management and affairs of the Company were administered by the Interim Resolution Professional/Resolution Professional during the CIRP period.

25. COMMITTEES AND THEIR MEETINGS

A. Audit Committee

Prior to commencement of the Corporate Insolvency Resolution Process (CIRP), the Company had constituted an Audit Committee in accordance with the applicable provisions of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and held two meetings on May 29, 2023 and August 11, 2023.

However, pursuant to the order dated 12th September, 2023 passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, admitting the Company into CIRP, the powers of the Board of Directors stood suspended and the management and affairs of the Company were vested in the Interim Resolution Professional (IRP), subsequently appointed as the Resolution Professional (RP), in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

Consequently, the functioning of the Audit Committee stood affected during the CIRP period, and no meetings of the Audit Committee were convened subsequent to commencement of CIRP.

B. Nomination and Remuneration Committee

Prior to commencement of CIRP, the Company had constituted a Nomination and Remuneration Committee in accordance with the applicable provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee was entrusted with matters relating to the nomination and appointment of Directors, their evaluation and remuneration, and other matters prescribed under the applicable provisions of law.

Upon commencement of CIRP on 12th September, 2023, the powers of the Board of Directors stood suspended and the management and affairs of the Company were taken over by the IRP/RP. Accordingly, no meetings of the Nomination and Remuneration Committee were convened subsequent to commencement of CIRP.

C. Stakeholders Relationship Committee

Prior to commencement of CIRP, the Company had constituted a Stakeholders Relationship Committee in accordance with the applicable provisions of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee was entrusted with the responsibility of considering and resolving grievances and complaints of shareholders and other security holders, including matters relating to transfer and transmission of shares, non-receipt of annual reports, notices, dividends and other investor-related matters.

Pursuant to commencement of CIRP on 12th September, 2023, the powers of the Board of Directors stood suspended and the management and affairs of the Company were vested in the IRP/RP. Accordingly, no meetings of the Stakeholders Relationship Committee were convened subsequent to commencement of CIRP.

Details of establishment of Vigil Mechanism/Whistle Blower Policy for Directors and Employees

The Company has a well framed vigil mechanism/whistle blower policy for its directors and employees. The company believes in honesty, integrity, ethics, transparency and good conduct in its professional environment and provides such kind of environment to its employees and directors and always encourages its team to follow such standards in their activities. The directors, employees and other team members are free to report on the issues which require genuine concern. An Audit Committee of the Board of directors has the responsibility to review the functioning of vigil mechanism and the same has been performed by the committee periodically.

26. DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES

As on the date of this Report, the Company does not have any subsidiary, joint venture or associate company.

27. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company has no subsidiaries, Joint Venture Companies so there is no requirement of description of the performance of Subsidiaries and Joint Venture Companies.

28. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statement and same is provided in this Annual Report.

29. PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

During the year under review, the Company has not entered into contracts and arrangements with related parties and, in this regard **AOC-2** is attached as (***Annexure-I).***

30. CORPORATE GOVERNANCE CERTIFICATE

Provisions of Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are not applicable to your Company. Hence, report on Corporate Governance is not annexed.

31. HUMAN RESOURCES

The Management has a healthy relationship with the officers and the Employee.

32. PARTICULARS OF EMPLOYEES

None of the employees of the Company were in receipt of remuneration in excess of limits as prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

33. SEXUAL HARRASEMENT

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace and has complied with the provisions relating to the constitution of Internal Complaints. Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No case was reported during the year under review, the details are as follows:

- The number of sexual harassment complaints received during the year: Nil
- The number of such complaints disposed of during the year: Nil
- The number of cases pending for a period exceeding ninety days: Nil

34. STATEMENT ON MATERNITY BENEFIT COMPLIANCE

Pursuant to the requirements introduced under the Companies (Accounts) Second Amendment Rules, 2025, the Company hereby confirms that it is in compliance with the applicable provisions of the Maternity Benefit Act, 1961, as amended from time to time.

The Company ensures that all eligible women employees are provided with the statutory maternity benefits, including leave entitlements, job protection, and other prescribed facilities, in accordance with the Act. Internal processes and policies have been aligned to support maternity rights, promote workplace inclusivity, and ensure adherence to all legal obligations under the Act.

35. RISK MANAGEMENT POLICY

During the financial year under review, the Company was admitted into the Corporate Insolvency Resolution Process (CIRP) pursuant to the order dated 12th September, 2023 passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. Consequently, the powers of the Board of Directors stood suspended and the management and affairs of the Company were vested in the Interim Resolution Professional (IRP), subsequently appointed as the Resolution Professional (RP), in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

In view of the ongoing CIRP proceedings and the prevailing financial and operational circumstances of the Company, the management and monitoring of risks associated with the affairs and operations of the Company were undertaken by the IRP/RP in accordance with the applicable provisions of the IBC.

The primary focus during the CIRP period remained on safeguarding and preserving the assets and value of the Company, managing its affairs and facilitating the resolution process in accordance with the provisions of the IBC. The Company shall continue to strengthen its risk management framework under the new management, with a view to identifying, assessing and mitigating business, financial, operational and regulatory risks and ensuring sustainable growth.

36. PREVENTION OF INSIDER TRADING

The Company has a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and certain designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code. Directors and the designated employees have confirmed compliance with the Code.

37. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER –SE

None of the Directors are related to each other.

38. SECRETARIAL STANDARDS

Your Company complies with the Secretarial Standard on Meetings of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) whenever it is applicable. Your Company will comply with the other Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as and when they are made mandatory.

39. CODE OF CONDUCT

The Company had adopted a Code of Conduct applicable to the members of the Board of Directors, Key Managerial Personnel, Senior Management and employees of the Company, prescribing standards of ethical conduct, integrity, transparency and accountability in the conduct of business and dealings with various stakeholders.

The Code of Conduct lays down the principles and standards expected to be followed in matters relating to professional integrity, ethical business practices, workplace conduct and compliance with applicable laws and regulations.

During the financial year under review, the Company was admitted into the Corporate Insolvency Resolution Process (CIRP) pursuant to the order dated 12th September, 2023 passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. Consequently, the powers of the Board of Directors stood suspended and the management and affairs of the Company were vested in the Interim Resolution Professional (IRP), subsequently appointed as the Resolution Professional (RP), in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

Accordingly, the declaration regarding compliance with the Code of Conduct by the Board of Directors and Senior Management for the entire financial year could not be obtained in the ordinary course. The affairs of the Company during the CIRP period were administered by the IRP/RP in accordance with the applicable provisions of the IBC.

40. ANNUAL LISTING FEES

The Company is listed on BSE Limited and paid the annual listing fees.

41. EXECUTIVE DIRECTOR/CFO CERTIFICATE

During the financial year under review, the Company was admitted into the Corporate Insolvency Resolution Process (CIRP) pursuant to the order dated 12th September, 2023 passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. Consequently, the powers of the Board of Directors stood suspended and the management and affairs of the Company were vested in the Interim Resolution Professional (IRP), subsequently appointed as the Resolution Professional (RP), in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

In view of the suspension of the powers of the Board of Directors and the management of the Company's affairs by the IRP/RP during the CIRP period, the certification contemplated under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from the Executive Director/Whole-time Director and Chief Financial Officer could not be obtained in the ordinary course for the financial year under review.

42. DEMATERIALIZATION OF SHARES AND NOMINATION FACILITY AND LISTING AT STOCK EXCHANGES

As per the Securities and Exchange Board of India (SEBI) directives, the transactions of the Company's shares must be compulsorily in dematerialized form. Your Company had entered

into agreements with National Securities Depository Ltd. and Central Depository Services (India) Ltd. to facilitate holding and trading of shares in electronic form. Shareholders holding shares in physical form are requested to convert their holding into dematerialized form. Shareholders may utilize the nomination facility available by sending duly filled form prescribed to our Registrar and Share Transfer Agent, M/s. R & D Infotech Private Limited. Your Company's equity shares are listed with BSE Limited (BSE).

43. SHARE TRANSFER SYSTEM

The Stakeholders Relationship Committee has authorized the Company Secretary & Compliance Officer of the Company to approve the transfer of shares within a period of 15 days from the date of receipt in case the documents are completed in all respects. Shares under objection are returned within two weeks. All request for dematerialization of shares is processed, if found in order and confirmation is given to the respective depositories, that is National Securities Depositaries Ltd (NSDL) and Central Depositories Services Ltd (CDSL) within 15 days.

44. DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of the company informed the members that:

a) In the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The directors had prepared the annual accounts on a going concern basis; and

e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

45. APPLICABILITY OF THE INDIAN ACCOUNTING STANDARDS (IND AS)

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

46. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR:

During the financial year under review, proceedings initiated under the Insolvency and Bankruptcy Code, 2016 (IBC), in respect of the Company were pending before the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. The matter was under consideration before the Hon'ble Tribunal during the year, and no order admitting the Company into the Corporate Insolvency Resolution Process (CIRP) had been passed up to 31st March, 2024.

47. CAUTIONARY NOTE

The statements forming part of the Board's Report may contain certain forward-looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

48. ACKNOWLEDGEMENT

The Board expresses its sincere gratitude to the shareholders, bankers and clients for their continued support. The Board also wholeheartedly acknowledges with thanks the dedicated efforts of all the staff and employees of the Company.

By Order of the Board of Directors
for **CARNATION INDUSTRIES LIMITED**

BHAWNA GUPTA
Digitally signed by BHAWNA GUPTA
Date: 2026.11.23 12:53:30 +05'30'

Date: November 21, 2026
Place: New Delhi

Poonam Dhingra
Director
DIN: 09524982

Bhawna Gupta
Director
DIN: 10101543

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
CARNATION INDUSTRIES LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by CARNATION INDUSTRIES LIMITED ("the Company") for the period from April 01, 2023 to March 31, 2024 ("the Audit Period").

Based on our examination of the books, papers, minute books, statutory registers, forms, returns and other records maintained by the Company, and the information, explanations and representations made available to us by the Company, its management and the Interim Resolution Professional/Resolution Professional ("IRP/RP"), as applicable, we report as follows:

1. Applicable Laws and Standards

We have examined compliance with the following, to the extent applicable:

i. The Companies Act, 2013 and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. The applicable SEBI Regulations, including:
    - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - SEBI (Prohibition of Insider Trading) Regulations, 2015;
    - SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
    - SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

We have also examined compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The management has confirmed that no other laws were specifically applicable to the Company having regard to the nature of its business.

2. Observations / Qualifications

During the Audit Period, we observed the following:

a) The Company had not filed Form AOC-4 XBRL and Form MGT-7 in respect of the financial year ended March 31, 2023, as required under the provisions of the Companies Act, 2013.
b) The Company did not hold its Annual General Meeting in respect of the financial year ended March 31, 2024, within the prescribed statutory timeline.

Note: The above observations are based on the records, documents and information made available to us.

3. Corporate Insolvency Resolution Process and Resolution Plan

The Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), vide its Order dated September 12, 2023, admitted Petition No. CP(IB)/12(KB)2021 under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC") and initiated CIRP against the Company. The Committee of Creditors confirmed the appointment of the IRP as RP in its meeting held on November 18, 2023.

Upon commencement of CIRP, the powers of the Board of Directors stood suspended and were exercisable by the IRP/RP in accordance with the IBC. The RP managed the affairs of the Company as a going concern. The audited financial statements for the financial year ended March 31, 2024, were prepared by the management and approved by the RP, as informed to us.

Subsequently, the Resolution Plan was approved by the Hon'ble NCLT vide its Order dated June 05, 2024. Pursuant thereto, the existing paid-up equity share capital was cancelled and fresh shares were allotted, with 90% to Mr. Vikas Garg, the Successful Resolution Applicant, and 10% to public shareholders proportionately, based on their shareholding as on the Record Date of November 14, 2024.

BSE Limited granted listing approval on March 26, 2025, and trading approval on September 30, 2025. The shares became available for trading with effect from October 03, 2025.

4. Board Processes and Compliance Mechanism

Prior to commencement of CIRP, the Board was duly constituted with the requisite composition, as observed from the records made available to us. Adequate notice of Board Meetings, along with agenda and notes on agenda, was provided to the Directors, and the minutes examined by us did not indicate any dissent.

Upon commencement of CIRP, the powers of the Board stood suspended and were exercised by the IRP/RP. Accordingly, our observations on Board processes are restricted to the period prior to commencement of CIRP.

The Company had systems and processes for monitoring compliance with applicable laws, as reflected in the records and information made available to us. The adequacy and effectiveness of such systems are to be viewed in light of the observations reported above.

This Report is to be read along with Annexure I, which forms an integral part of this Report.

for Prachi Bansal & Associates
Company Secretaries

Prachi Bansal
M. No.: 43355 | CP: 23670
UDIN: A043355H002101281

Date: October 31, 2026
Place: Faridabad

ANNEXURE-II

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

Global Economy

During the financial year 2023–24, the global economy witnessed moderate growth amid geopolitical uncertainties, persistent inflationary pressures, tightening monetary conditions and disruptions in international trade and supply chains. Various economies continued to face challenges arising from geopolitical conflicts, fluctuations in commodity prices and changing monetary policies.

Despite these challenges, infrastructure development, manufacturing activities, technological advancement and investments in industrial sectors continued to provide growth opportunities. However, uncertainty in the global economic environment, rising input costs and fluctuations in foreign exchange rates remained areas of concern for businesses across sectors.

Indian Economy

The Indian economy demonstrated resilience during FY 2023–24, supported by domestic consumption, Government-led infrastructure expenditure, growth in manufacturing activities and continued policy initiatives aimed at strengthening the industrial and business environment.

Initiatives such as Make in India, the Production Linked Incentive (PLI) Scheme, infrastructure development programmes and improvements in logistics infrastructure continued to support the country's manufacturing ecosystem. India's growing industrial base and infrastructure requirements are expected to provide opportunities for businesses engaged in manufacturing and allied sectors.

Nevertheless, inflationary pressures, fluctuations in raw material prices, financing costs and overall economic uncertainties continued to pose challenges for industrial enterprises.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Foundry and Casting Industry

The Indian foundry and casting industry constitutes an important component of the country's manufacturing sector and caters to various industries, including automobiles, railways, engineering, infrastructure, agriculture, construction equipment and other industrial applications.

Demand for castings is closely linked with industrial growth, infrastructure development and manufacturing activities. Government initiatives aimed at strengthening domestic manufacturing and reducing import dependency are expected to support the long-term prospects of the industry.

The industry, however, continues to face challenges such as volatility in the prices of raw materials, including pig iron, steel scrap and ferro alloys, increasing energy costs, competition from domestic and international manufacturers and the need for continuous technological upgradation.

During the financial year under review, the Company's operations and business activities were impacted by the prevailing circumstances relating to its financial position and insolvency proceedings.

OPPORTUNITIES AND THREATS

Opportunities

The Indian manufacturing sector offers various opportunities for companies engaged in the foundry and casting business, including:

- Growing infrastructure and industrial development across the country.
- Increasing demand for castings from engineering, railway, automobile and construction sectors.
- Government initiatives promoting domestic manufacturing and industrial development.
- Opportunities arising from import substitution and localisation of manufacturing.
- Potential for improvement in operational efficiency through technological upgradation and process improvements.

Threats

The Company remains exposed to various business and economic risks, including:

- Volatility in prices of raw materials such as pig iron, scrap and ferro alloys.
- Increasing fuel, power and other operational costs.
- Intense competition from domestic and international manufacturers.
- Changes in industrial demand and overall economic conditions.
- Working capital constraints and liquidity-related challenges.
- Regulatory and statutory compliance requirements.
- Financial and operational challenges arising from the Company's insolvency proceedings during the year.

SEGMENT-WISE PERFORMANCE

Manufacturing Segment

During FY 2023–24, the Company was primarily engaged in its existing business activities relating to the manufacturing and trading of industrial products, subject to the operational and financial circumstances prevailing during the year.

The Company's operations were affected by the proceedings initiated under the Insolvency and Bankruptcy Code, 2016 (IBC), which culminated in the admission of the Company into CIRP pursuant to the order dated 12 September 2023 passed by the Hon'ble NCLT, Kolkata Bench.

Accordingly, the affairs of the Company were administered by the Interim Resolution Professional (IRP), subsequently appointed as the Resolution Professional (RP), in accordance with the applicable provisions of the IBC.

The financial and operational performance of the Company during the year should be viewed in the context of the aforesaid circumstances.

OUTLOOK

During the financial year under review, the Company faced significant challenges on account of its financial position and the insolvency proceedings initiated against it.

The CIRP process was undertaken with the objective of achieving a viable resolution and providing an opportunity for revival of the Company. Subsequent to the close of the financial year,

the Resolution Plan submitted by Mr. Vikas Garg was approved by the Hon'ble NCLT, Kolkata Bench, vide its order dated June 05, 2024.

The approval of the Resolution Plan represents a significant subsequent development in the Company's efforts towards revival and restructuring. The future outlook of the Company will depend upon the effective implementation of the approved Resolution Plan, restoration of business operations, financial restructuring and the initiatives undertaken by the new management.

RISKS AND CONCERNS

The Company is exposed to various business, financial, operational and regulatory risks, which may affect its business prospects and financial performance.

During the year under review, the principal concerns included:

- Financial and liquidity constraints.
- Challenges in maintaining and restoring normal business operations.
- Volatility in raw material and energy prices.
- Market competition and fluctuations in industrial demand.
- Statutory and regulatory compliance requirements.
- Risks associated with the insolvency proceedings and resolution process.
- Uncertainty relating to the revival and future operations of the Company.

During the CIRP period, the management and monitoring of the Company's affairs and associated risks were undertaken by the IRP/RP in accordance with the provisions of the IBC, with the objective of preserving the assets and value of the Company and facilitating its resolution.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company had established internal control systems and procedures commensurate with the nature and scale of its business operations, with the objective of ensuring proper maintenance of accounting records, safeguarding of assets and compliance with applicable statutory and regulatory requirements.

However, following commencement of CIRP pursuant to the order dated 12 September 2023, the management and affairs of the Company were administered by the IRP/RP in accordance with the provisions of the IBC.

During the CIRP period, the IRP/RP was responsible for managing the affairs of the Company and taking necessary steps for preservation of its assets and compliance with applicable statutory requirements.

The internal control framework and related processes are expected to be reviewed and strengthened under the new management following implementation of the approved Resolution Plan.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the financial year 2023–24, the financial and operational performance of the Company was affected by its prevailing financial circumstances and the insolvency proceedings initiated under the IBC. The Company was admitted into CIRP pursuant to the order dated September 12, 2023 passed by the Hon'ble NCLT, Kolkata Bench, following which the management and affairs of the Company were taken over by the IRP/RP.

The financial performance of the Company for the year ended March 31, 2024, including revenue from operations, expenditure, profitability, assets and liabilities, is reflected in the audited financial statements forming part of this Annual Report.

The financial position and performance of the Company should be considered in the context of the ongoing insolvency proceedings and the circumstances prevailing during the year.

MATERIAL DEVELOPMENTS

Corporate Insolvency Resolution Process

During the financial year under review, the Company was admitted into CIRP pursuant to the order dated September 12, 2023 passed by the Hon'ble NCLT, Kolkata Bench. Consequently, the powers of the Board of Directors stood suspended and the management and affairs of the Company were vested in the IRP, subsequently appointed as RP.

The CIRP process was undertaken in accordance with the provisions of the IBC and the regulations framed thereunder, with the objective of achieving a resolution and maximising the value of the Company's assets.

Approval of Resolution Plan

Subsequent to the close of the financial year, the Resolution Plan submitted by Mr. Vikas Garg was approved by the Hon'ble NCLT, Kolkata Bench, vide its order dated June 05, 2024, in accordance with Section 31 of the IBC.

The approval of the Resolution Plan paved the way for the revival and restructuring of the Company under new management. The implementation of the approved Resolution Plan and the consequent change in management and control constitute significant developments subsequent to the financial year ended March 31, 2024.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Human resources play an important role in the effective functioning and development of any organisation. The Company recognises the importance of maintaining appropriate human resource practices and fostering a conducive working environment.

During the year under review, the Company's human resource and administrative matters were managed in the context of the prevailing financial and operational circumstances and, subsequently, under the supervision of the IRP/RP following commencement of CIRP.

The Company remains committed to ensuring compliance with applicable labour laws and other statutory requirements relating to its employees.

KEY MANAGERIAL PERSONNEL CHANGES

During the financial year under review, the management and affairs of the Company were initially administered by its existing management. However, pursuant to the order dated September 12, 2023 passed by the Hon'ble NCLT, Kolkata Bench, admitting the Company into CIRP, the powers of the Board of Directors stood suspended and the management and control of the affairs of the Company vested in the IRP, subsequently appointed as RP.

Accordingly, during the CIRP period, the IRP/RP administered the affairs of the Company in accordance with the provisions of the IBC.

Subsequent to the close of the financial year, the Resolution Plan submitted by Mr. Vikas Garg was approved by the Hon'ble NCLT on June 05, 2024, pursuant to which the management and control of the Company underwent a change in accordance with the terms of the approved Resolution Plan.

DISCLAIMER

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied due to various factors including economic conditions, changes in government regulations, market developments, competition, operational risks and other factors beyond the Company's control. The Company undertakes no obligation to publicly update or revise any forward-looking statements except as required under applicable laws.

PERFORMANCE EVAULATION CRITERIA OF INDEPENDENT DIRECTORS

1. Attending Board/Committee Meetings.

2. Going through the agenda papers and providing inputs in the meetings of Board/ Committees.

3. Guidance to the Company from time to time on the various issues brought to their notice.

4. Discharge of duties as per Schedule IV of the Companies Act, 2013 and compliance to other requirements of the said Act or other regulatory requirements.

5. Declarations received from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Section 149 (6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015.

By Order of the Board of Directors
for **CARNATION INDUSTRIES LIMITED**

BHAWNA GUPTA Digitally signed by BHAWNA GUPTA Date: 2026.11.23 12:54:39 +05'30'

Date: November 21, 2026
Place: New Delhi

Bhawna Gupta
Director (DIN: 10101543)

ANNEXURE-I

FORM NO. AOC -2
Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: NIL
2. Details of contracts or arrangements or transactions at Arm's length basis:

Amount in lakhs

S. No.	Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Terms of the contracts or arrangements or Transaction including the value, if any	Date of approval by the board	Amount paid as advances, if any
----------NIL----------							

By Order of the Board of Directors
for **CARNATION INDUSTRIES LIMITED**

BHAWNA GUPTA
Digitally signed by BHAWNA GUPTA
Date: 2026.11.23 12:55:10 +05'30'

Date: November 21, 2026
Place: New Delhi

Bhawna Gupta
Director (DIN: 10101543)

DISCLOSURE OF MANAGERIAL REMUNERATION U/S 197 OF COMPANIES ACT, 2013

Details pertaining to remuneration as required u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and remuneration of Managerial personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year, the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:-

Name	Designation	Ratio of Remuneration of each Director and KMP to the median remuneration of employees	Percentage Increase in Remuneration*

- No other directors were paid remuneration during the Financial Year 2023-24.

2. **The percentage increase in the median remuneration of employees in the financial year.**

   There was no increase in the remuneration of employees during the year 2023-24 hence disclosure under this head is not applicable.

3. **The number of permanent employees on the rolls of the Company.**

   The number of permanent employees on the rolls of the Company as on March 31, 2024 is 7 across all the locations.

4. **Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

   Details are not applicable as appointment of Managerial Personnel was affected, during the year 2023-24 only, accordingly, there is no reportable increase in remuneration of managerial personnel

   It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.

By Order of the Board of Directors
for **CARNATION INDUSTRIES LIMITED**

BHAWNA GUPTA
Digitally signed by BHAWNA GUPTA
Date: 2026.11.23 12:55:38 +05'30'

Date: November 21, 2026
Place: New Delhi

Bhawna Gupta
Director (DIN: 10101543)

DECLARATION BY DIRECTOR UNDER PARA D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, REGARDING THE COMPLIANCE WITH CODE OF CONDUCT

To
The Members of
Carnation Industries Limited

I, Bhawna Gupta, Executive Director of the Company, hereby certify that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with code of conduct adopted by the Company for the financial year ending March 31, 2024 in terms of Regulation 34(3) of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

By Order of the Board of Directors
for **CARNATION INDUSTRIES LIMITED**

BHAWNA GUPTA Digitally signed by BHAWNA GUPTA Date: 2026.11.23 12:56:06 +05'30'

Date: November 21, 2026
Place: New Delhi

Bhawna Gupta
Director (DIN: 10101543)

JAIN SARAOGI & CO LLP
CHARTERED ACCOUNTANTS

1, Crooked Lane, Kolkata (WB) 700 069, India
Ph: +91-33-22484130 | Mob.: 98361 84131
E: info@jainsaraogi.com | W: www.jainsaraogi.com

Independent Auditor's Report

To the Members of

CARNATION INDUSTRIES LIMITED

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the financial statements of **CARNATION INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

The Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench, admitted petition no. CP(IB)/12(KB)2021 for initiation of Corporate Insolvency Resolution Process ("CIRP") u/s 9 of the Insolvency and Bankruptcy Code, 2016 ("the Code") on 12th September 2023 and appointed an Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of Code. The Committee of Creditors of the Company, in its meeting held on 18th November 2023 confirmed the IRP as Resolution Professional ("RP") for the Company. In view of pendency of the CIRP the management of affairs of the Company and power of Board of Directors are now vested with RP. By an order dated 10th April 2024, Hon'ble NCLT has extended the CIRP time period by another 90 days and has also excluded a period of 40 days on & from 05.10.2023 upto 13.11.2023 from the CIRP period. Further, as mentioned in Note 2 and in terms of Sections 14 of the Code, until the resolution plan has been approved by the Hon'ble NCLT, moratorium shall continue to be in effect and accordingly, the RP shall continue to manage operations of the Company on a going concern basis during the CIRP. These financial results have been prepared by the management of the Company and approved by RP.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the "Basis for Qualified opinion" paragraph of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1) Attention is drawn to Note 26(iii) of the Financial Statements: -

   a. Regarding non-recognition of interest on borrowing from banks subsequent to insolvency commencement date i.e. 12th September 2023, being interest amounting to Rs. 8.75 Lakhs for the year ended 31st March 2024. The same is not in compliance with requirements of Ind AS - 23 on "Borrowing Cost" read with Ind AS - 109 on "Financial Instruments".

   b. Regarding non-recognition of interest on delay in payment of MSME dues subsequent to insolvency commencement date i.e. 12th September 2023, being interest amounting to Rs. 3.06 Lakhs for the year ended 31st March 2024. The same is not in compliance with

JAIN SARAOGI & CO LLP * KOLKATA * CHARTERED ACCOUNTANTS

requirements of Ind AS - 23 on "Borrowing Cost" read with Ind AS - 109 on "Financial Instruments".

c. Had provision for interest been recognised, finance cost would have been higher while loss for the quarter and year ended would have been higher by amounts as mentioned above, having consequential impact on other current financial liability and other equity.

2) Attention is drawn to Note 26(v)(b) of the Financial Statements: -

a. Subsequent to insolvency commencement date i.e. 12th September 2023, regarding non-recognition of demand of Rs. 73.92 Lacs from Customs authorities against which Company had filed an appeal before The Commissioner of Customs (Appeal), Kolkata on 10th January, 2023. The Company had deposited a sum of Rs. 5.54 Lacs under protest against this demand which is disclosed as Deposit under Other Current Assets. The Company has received an order rejecting the appeal through appeal order dated 19.12.2023 during the moratorium period under the Insolvency & Bankruptcy Code, 2016.

b. Had the demand been recognised, other expenses would have been higher while loss for the quarter and year ended would have been higher by the amount as mentioned above, having consequential impact on other current liabilities and other equity.

3) Attention is drawn to Note 26(vii) of the Financial Statements, Employee Retirement benefits are accounted for in the books on the basis of Actuarial Valuation upto 31st March 2023, however, the actuarial valuation as required under Indian Accounting Standard (Ind AS) 19 issued by the Institute of Chartered Accountants of India has not been carried out in the current financial year. In absence of necessary information being made available to us the impact of the same on the loss for the year of the company and corresponding effect on liability cannot be ascertained and quantified.

4) As mentioned in Note 26(vi) of the Financial Statements, in accordance with the Insolvency and Bankruptcy Code ("Code"), the Resolution Professional ("RP") has to receive, collate and admit the claims submitted by the creditors as a part of Corporate Insolvency Process ("CIRP"). Such claims can be submitted to the RP till the approval of the resolution plan by the CoC. As mentioned in note no. 1 of the statement, the RP has filed an application before the Hon'ble NCLT for the Resolution Plan approval. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors. Hence, consequential impact, if any, is currently not ascertainable and we are unable to comment on possible financial impacts of the same.

5) We have been informed by Resolution Professional that certain information including the minutes of meetings of the Committee of Creditors and the outcome of certain procedures carried out as a part of the CIRP are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT. Further, we were informed that the Committee of Creditors has approved the resolution plan and is filed with Hon'ble NCLT. However, the detailed resolution plan (including the salient features, consideration agreed, terms and conditions etc.) has not been made available for our review. In the opinion of the RP, the matter is highly sensitive and confidential. Accordingly, we are unable to comment on the possible adjustments required in the carrying amount of assets and liabilities, possible presentation and disclosure impacts, if any, that may arise if we have been provided access to review of that information.



We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to the Note 26(iv) of the Financial Statements, regarding preparation of financial statements on going concern basis, which states that the Company has incurred cash losses, its liabilities exceeded total assets and its net worth has been fully eroded as on 31st March 2024. In view of the continuing default in payment of dues, one of the operational creditor sent notices/letters seeking the amount payable to them and called upon the Company to pay entire dues subsequent to which the said creditor filed an application under the Insolvency & Bankruptcy Code, 2016 with the Hon'ble NCLT, Kolkata Bench. As a consequence of the said application, Corporate Insolvency Process against the Company is in process. Since the CIRP is currently in progress, as per the Code, it is required that the Company be managed as a going concern during the CIRP. The financial statements is continued to be prepared on going concern basis. However there exists material uncertainty about the Company's ability to continue as going concern since the same is dependent upon the resolution plan to be approved by Hon'ble NCLT. The appropriateness of preparation of financial statements on going concern basis is critically dependent upon CIRP as specified in the Code.
Our opinion is not modified in respect of this matter.

Emphasis of Matter

i. We draw attention to Note 26(xvii) of the Financial Statements regarding charging/writing off of Trade Receivables (export sales) made in earlier years amounting to Rs. 1751.59 Lacs which was due from a related party for more than 5 years, the necessary permission in respect of write off debts in books from appropriate authorities are yet to be obtained.

ii. We draw attention to Note 26(xvi) of the Financial Statements regarding the balances of Security Deposits, Loans and Advances, Trade payable, are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any.

iii. We draw attention to Note 26(v)(a) of the Financial Statements regarding penalty imposed by Securities and Exchange Board of India u/s 23E of Securities Contract Regulation Act, 1956 and Section 15HB of SEBI Act, 1992.

iv. We draw attention to Note 26(xviii) of the accompanying statement regarding pending marking off compliance in respect of overseas bills.

v. There has been default in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Unclaimed Dividend amounting to Rs. 1.04 Lacs relating to financial year ended on March 31, 2016 required to be transferred was not transferred to the Investor Education and Protection Fund.

Our opinion is not modified in respect of these matters.

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the basis for Qualified Opinion paragraph and Emphasis of Matters paragraph, we have determined that there are no key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and Director's Report including Annexures to Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Since, we have not obtained the Board's report prior to the date of the Auditor's report, we are unable to conclude whether or not the other information paragraph is materially misstated with respect to this matter.

We expect to obtain the Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information after the date of the Auditor's report, and if we conclude that there is a material misstatement therein, we are required to communicate the matter with those charge with Governance and describe actions applicable under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company was under the Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') vide order dated September 12, 2023 passed by the Hon'ble National Company Law Tribunal ('NCLT'). The powers of the Board of Directors stands suspended as per Section 17 of the Code and such powers are exercised by the Interim Resolution Professional/Resolution Professional (RP) appointed by the NCLT by the said order under the provisions of the Code. As per Section 20 of the Code, upon commencement of CIRP, the management and operations of the Company were being managed by Interim Resolution Professional / Resolution Professional. Prior to commencement of CIRP, the management and affairs of the company were managed by the Board of Directors of the Company.

The Company's Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   a. Except for the matters described in the Basis for Qualified Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above and Paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Financial Statements dealt with by this Report are in agreement with the books of account;

   d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;

   e. We have not received any written representation from the directors as on March 31, 2024 with regards to disqualification from being appointed as a director in terms of section 164(2) of the Act.;

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B;

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

g. No managerial remuneration for the year ended March 31, 2024 has been paid/ provided by the Company to its directors and accordingly reporting for the provisions of section 197 read with Schedule V of the Act is not applicable;

h. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated above in paragraph 2(b) on reporting under section 143(3)(b) of the Act and Paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigation as at March 31, 2024 on its financial position in its Financial Statements- Refer Note no.26 (i) and 26(v) to the Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. During the year, unclaimed dividend amounting to Rs. 1.04 Lacs relating to financial year ended on March 31, 2016 required to be transferred was not transferred to the Investor Education and Protection Fund.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The company has not declared or paid any dividend during the year.



(vi) Based on our examination which included test checks, we are unable to comment upon the use of accounting software for maintaining its books of account which has a feature of recording audit trail (edit log).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

For **JAIN SARAOGI & CO LLP**
Chartered Accountants
FRN: 305004E/E300281

Place: Kolkata
Date: 30th May, 2024.

Manoj Keshan
(Partner)
Membership No. 055272
UDIN: 24055272BKBPQF3062



Annexure "A" to Independent Auditors' Report of even date to the members of CARNATION INDUSTRIES LIMITED, on the financial statements as of and for the year ended March 31, 2024.

I. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant & Equipment.
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) Physical verification report of Property, Plant & Equipment of the company have not been made available to us for our verification, accordingly we are unable to comment on the discrepancy and frequency of physical verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the immovable property is held in the name of the company and the tittle deed in respect of the same having carrying value amounting to Rs. 86.94 Lakhs as on 31.03.2024 has been deposited with Bankers and is lying as collateral security against credit facility obtained by the company. However periodic confirmation from bank as regards retaining title deed has not been obtained.

(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment and Intangible Assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

II. (a) During the year under review the company doesn't have any inventory accordingly reporting under Clauses 3(ii) (a) of the Order are not applicable to the company.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from bank on the basis of security of current assets. Accordingly, reporting under of Clause3(ii)(b) of the Order is not applicable.

III. The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the provisions of Clauses 3(iii) (a) to 3(iii)(f) of the Order are not applicable to the company.

IV. In our opinion and according to the information and explanations given to us, the company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the Company.

V. According to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public in accordance with directives issued by Reserve Bank of India and relevant provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Hence, the reporting under paragraph 3(v) of the Order does not arise.

VI. The company does not have manufacturing facility during the year under review accordingly reporting under Clauses 3(vi) of the Order are not applicable to the company.

JAIN SARAOGI & CO LLP * KOLKATA * CHARTERED ACCOUNTANTS

VII. (a) According to the information and explanations given to us and on the basis of our examinations of the books of account, the Company has not been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of excise, Value added Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of material statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except Customs Duty Drawback Refundable amounting to Rs. 38.76 Lacs.

(b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) above which have not been deposited on account of any dispute.

Name of Statue	Nature of Dues	Amount (Rs. in Lacs)	Forum where Dispute is Pending*	Remarks
Securities Contracts (Regulation) Act, 1956 and Securities and Exchange Board of India Act, 1992,	Penalty	5.00	The Securities Appellate Tribunal, Mumbai	Refer Note 26(v)(a) of the Financial Statements
Customs Act, 1962	Customs Duty	73.92	The Commissioner of Customs (Appeal), Kolkata	Refer Note 26(v)(b) of the Financial Statements

* The company is under CIRP moratorium with effect from 12.09.2023.

VIII. According to information and explanations given to us, the company has not surrendered or disclosed as any income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the company.

IX. (a) Based on our audit procedures and on the information and explanation given to us, the Company has defaulted in repayment of Credit facility (Loan against Property) availed from ICICI Bank accordingly the loan facility has been classified as Non-performing Asset by the lender on 10/03/2023 and the loan was recalled by the lender. [Refer Note 26(iii) of the Financial Statements].

(b) According to the information and explanations given to us, The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company had obtained term loans in earlier years and applied them for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short term basis aggregating to Rs.360.32 Lacs for long-term purposes.

(e) The Company does not have any subsidiaries, associates or joint ventures and accordingly, reporting under clause 3(ix)(e) of the Order is not applicable

(f) The Company does not have any subsidiaries, associates or joint ventures and accordingly reporting under clause 3(ix)(f) of the Order is not applicable

X. (a)The company did not raise monies by way of initial public offer or further public offer (including debt instruments) during the year under review.
(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

XI. (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There were no reports filed under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audits and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c)According to the information and explanations given to us, the Company has not received any complaint during the year under review.

XII. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable.

XIII. According to the information and explanations provided by the management, transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Companies Act, where applicable and the details have been disclosed in the financial statements as required by the applicable Ind AS.

XIV. (a) The company has an internal audit system commensurate with the size and nature of its business;

(b) The reports of the Internal Auditors for the period under audit were considered by us.

XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable.

XVI. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) and 3(xvi)(d) of the Order are not applicable.

XVII. The company has incurred cash losses of Rs. 45.48 Lacs in the financial year under review and Rs. 89.56 Lacs in the immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditor of the company during the year.

XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and in absence of knowledge of the Management plans and in our opinion, The company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 and is in Corporate Insolvency Resolution Process (CIRP) and Company's Net-worth is fully eroded and also defaulted in repayment of borrowing to its lenders. In our opinion, there is material uncertainty exists as on the date of audit report that company is capable of meeting its liabilities existing at the date of balance sheet as it is already fallen due. We, however, state that this is not an assurance as to



the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company.

XX. . There is no liability of the company under the provisions of section 135 the Act to the Company. Hence, reporting under paragraph 3(xx) (a) and (b) of the Order is not applicable.

XXI. The Company does not have any subsidiaries, associates or joint ventures and accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For **JAIN SARAOGI & CO LLP**
Chartered Accountants
FRN: 305004E/E300281

Manoj Keshan

Manoj Keshan
(Partner)
Membership No. 055272
UDIN: 24055272BKBPQF3062

Place: Kolkata
Date: 30th May, 2024.

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA 30/5/24

Annexure B" to the Independent Auditor's Report of even date to the members of CARNATION INDUSTRIES LIMITED on the financial statements for the year ended March 31, 2024.

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **CARNATION INDUSTRIES LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting



principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, apart from the matter describe in "Basis of qualified opinion" and "Emphasis of Matter" paragraph; the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **JAIN SARAOGI & CO LLP**
Chartered Accountants
FRN: 305004E/E300281

Manoj Keshan

Manoj Keshan
(Partner)
Membership No. 055272
UDIN: 24055272BKBPQF3062

Place: Kolkata
Date: 30th May, 2024.

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA 30/5/24

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920
Balance Sheet as at 31st March, 2024

(Rs. In Lacs)

	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
	ASSETS :			
(1)	**Non-Current Assets**			
	Property, Plant and Equipment	3	**88.36**	90.18
	Intangible Assets	4	**0.08**	-
	Financial Assets			
	Investments		**-**	-
	Other Non-Current Assets	5	**14.86**	14.86
(2)	**Current Assets**			
	Inventories		**-**	-
	Financial Assets			
	(a) Trade Receivables	6	**-**	-
	(b) Cash and Cash Equivalents	7	**0.25**	0.54
	(c) Bank Balance Other than Cash and Cash Equivalents	8	**1.42**	1.42
	Current Tax Assets (net)		**-**	-
	Other Current assets	9	**25.42**	26.79
	Total Assets		**130.38**	133.79
	EQUITY AND LIABILITY			
(1)	**EQUITY**			
	Share Capital	10	**345.72**	345.72
	Other Equity	11	**(636.15)**	(586.86)
	LIABILITY			
(2)	**Non-Current Liabilities**			
	Financial Liabilities			
	-Borrowings		**-**	-
	Provisions	12	**18.32**	27.15
	Deferred Tax Liabilities (Net)	13	**15.09**	12.93
(3)	**Current Liabilities**			
	Financial Liabilities			
	-Borrowings	14	**191.61**	174.79
	-Trade Payables			
	(A) total outstanding dues of micro enterprises and small enterprises	15	**28.48**	25.71
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	16	**69.84**	37.11
	-Other Financial Liabilities	17	**1.52**	2.43
	Other Current Liabilities	18	**95.96**	94.80
	Total Equity and Liabilities		**130.38**	133.79

Material Accounting Policies 2
The accompanying notes are an integral part of the financial statements.

As per our report annexed of even date
For Jain Saraogi & Co LLP
Chartered Accountants
Firm Regn. No- 305004E/ E300281

Manoj Kumar Keshan
Partner
Membership No. 55272
UDIN: 24055272BKBPQF3062

Place: Kolkata
Dated:30th day of May, 2024

For and on behalf of CARNATION INDUSTRIES LIMITED
(A Company under Corporate Insolvency Resolution process by an order dated September12th, 2023 passed by Hon'ble NCLT, Kolkata)

Anubrata Gangoly
Resolution Professional

ANUBRATA GANGOLY ★ ICAI 059014 IBBI 14702 ★ F.C.A., D.I.S.A. IP

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA 30/5/24

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920
Statement of Profit and Loss for the year ended 31st March, 2024

(Rs. In Lacs)

Sl No	Particulars	Note No.	For the Year ended 31.03.2024	For the Year ended 31.03.2023
A	**CONTINUING OPERATIONS**			
I	Revenue From operations		-	-
II	Other Income	19	-	3.22
III	**Total Income (I +II)**		-	3.22
IV	**EXPENSES**			
	Cost of Materials Consumed and other manufacturing expenses		-	-
	Cost of Trading Goods		-	-
	Changes in inventories of Finished Goods		-	-
	Employee benefit expense	20	**4.60**	19.90
	Finance costs	21	**11.21**	23.27
	Depreciation and amortization expense		**1.66**	1.64
	Other expenses	22	**29.68**	31.59
	Total expenses (IV)		**47.15**	76.42
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**(47.15)**	(73.20)
VI	**Exceptional items**		-	-
VII	**Profit/ (loss) before tax (V-VI)**		**(47.15)**	(73.20)
VIII	**Tax Expenses**			
	a) Current Tax		-	
	b) Current tax for earlier year			**18.01**
	c) Deferred Tax		**2.15**	(0.62)
			2.15	17.39
IX	**Profit/ (Loss) for the period from continuing operations (VII-VIII)**		**(49.30)**	(90.58)
B	**DISCONTINUED OPERATIONS**			
X	**Profit/ (Loss) from discontinued operations**	23	-	(31.43)
XI	**Tax expense of discontinued operations**			
	a) Current Tax		-	-
	b) Current tax for earlier year		-	-
	c) Deferred Tax		-	-
			-	-
XII	**Profit/(loss) from discontinued operations (after tax)**		-	(31.43)
XIII	**Profit/(loss) for the period (IX-XII)**		**(49.30)**	(122.01)
XIV	**Other Comprehensive Income/ (Loss)**	24		
	Items that will not be reclassified to profit or loss		-	1.94
	Income tax relating to items that will not be reclassified to profit or loss		-	(0.51)
	Other Comprehensive Income/ (Loss) for the year		-	1.44
XV	**Total Comprehensive Income for the period (XIII+XIV)**		**(49.30)**	(120.58)
XVI	**Earnings per equity share (for Continuing operations)**	25.a		
	1) Basic		**(1.43)**	(2.62)
	2) Diluted		**(1.43)**	(2.62)
	Earnings per equity share (for Discontinued operations)	25.b		
	1) Basic		-	(0.91)
	2) Diluted		-	(0.91)
	Earnings per equity share (for Total operations)	25.c		
	1) Basic		**(1.43)**	(3.53)
	2) Diluted		**(1.43)**	(3.53)

Material Accounting Policies 2
The accompanying notes are an integral part of the financial statements.

As per our report annexed of even date
For Jain Saraogi & Co LLP
Chartered Accountants
Firm Regn. No- 305004E/ E300281

Manoj Kumar Keshan
Partner
Membership No. 55272

UDIN: 24055272BKBPQF3062
Place: Kolkata
Dated:30th day of May, 2024

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA 30/5/24

For and on behalf of CARNATION INDUSTRIES LIMITED
(A Company under Corporate Insolvancy Resolution process by an order dated September12th, 2023 passed by Hon'ble NCLT,

Anubrata Gangoly
Resolution Professional

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 * F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920
Statement of Changes in Equity for the half year ended 31st March, 2024

(Rs. In lacs)

(A) Equity Share Capital
Current Reporting Period

Balance at the beginning of the current reporting period	Change Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
345.72	-	345.72	-	345.72

Previous Reporting Period

Balance at the beginning of the previous reporting period	Change Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the current year	Balance at the end of the previous reporting period
345.72	-	345.72	-	345.72

(B) Other Equity
Current Reporting period

(Rs. In lacs)

	Share application money Pending allotment	Equity Component of Compund Financial Instruments	Reserve and Surplus					Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Export Business Reserve	Retained Earning								
Balance at the beginning of the current reporting period	-	-	48.84	306.30	493.24	26.89	(1,462.13)								(586.86)
Changes in accounting Policy or prior period items	-	-	-	-	-	-									
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-									
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	-	-								-
Dividends	-	-	-	-	-	-									
Profit for the Current Year	-	-	-	-	-	-	(49.30)								(49.30)
Any other Change	-	-	0	0	0	0									
Balance at the beginning of the current reporting period			48.84	306.30	493.24	26.89	(1,511.43)								(636.15)

Previous Reporting period

	Share application money Pending allotment	Equity Component of Compund Financial Instruments	Reserve and Surplus					Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Export Business Reserve	Retained Earning								
Balance at the beginning of the previous reporting period	-	-	48.84	306.30	493.24	26.89	(1,341.55)								(466.28)
Changes in accounting Policy or prior period items	-	-	-	-	-	-									
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-									
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	-	1.44								1.44
Dividends	-	-	-	-	-	-									
Profit for the Previous Year	-	-	-	-	-	-	(122.01)								(122.01)
Any other Change	-	-	-	-	-	-									
Balance at the beginning of the previous reporting period			48.84	306.30	493.24	26.89	(1,462.13)								(586.86)

Material Accounting Policies 2
The accompanying notes are an integral part of the financial statements.

As per our report annexed of even date
For Jain Saraogi & Co LLP
Chartered Accountants
Firm Regn. No- 305004E/ E300281

Manoj Kumar Keshan
Partner
Membership No. 55272
UDIN: 24055272BKBPQF3062
Place: Kolkata
Dated:30th day of May, 2024

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

For and on behalf of CARNATION INDUSTRIES LIMITED
(A Company under Corporate Insolvancy Resolution process by an order dated September12th, 2023 passed by Hon'ble

Anubrata Gangoly
Resolution Professional

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920
Statement of Cash Flow for the half year ended 31st March, 2024

(Rs. In Lacs)

	PARTICULARS	For the year ended 31.03.2024	For the year ended 31.03.2023
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(loss) before exceptional items and tax	**(47.15)**	(104.63)
	Adjustments for:		
	-Depreciation, Imparement and Amortisation Expenses	**1.66**	1.64
	-Provision for bad & doubtful debt	**-**	26.83
	-Dividend received	**-**	(0.01)
	-Investment Expenses	**-**	0.01
	-Fair Valuation of Investment	**-**	(0.13)
	-(Profit)/Loss on sale/discard of Property Plant and Equipment(net)	**0.01**	(3.03)
	-Remeasurements of the deflned benefit plans	**-**	1.94
	-Creditor for Property, Plant and Equipment written off	**-**	-
	-Finance Cost	**11.21**	23.27
	Operating Profit Before Working Capital Changes	**(34.26)**	**(54.09)**
	Adjustments for:		
	-(Decease)/ Increase in Trade Payables	**35.50**	13.65
	-(Decease)/ Increase in Non Current Provisions	**(8.83)**	0.82
	-(Decease)/ Increase in Other current Liabilities	**1.16**	(0.13)
	-Decrease/ (Increase) in other Non Current Assets	**(0.00)**	-
	-Decrease/ (Increase) in Trade Receivables (Net of Provision)	**-**	26.23
	-Decrease/ (Increase) in Other Current Asset	**1.37**	8.66
	-Decrease/ (Increase) in Inventories	**-**	
	Cash Generated from Operations :	**(5.06)**	**(4.87)**
	Income Tax Paid including Tax deducted at source	**-**	(0.76)
	Net Cash generated from Operating Activities	**(5.06)**	**(4.11)**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipments, Intangible and Capital Work in Progress	**(0.10)**	-
	Sale of Investment (net)	**-**	0.64
	Sale of Property, Plant and Equipments, Intangible and Capital Work in Progress	**0.17**	5.23
	Dividend Received	**-**	0.01
	Bank Balance other than cash & Cash equivalents (including accrued interest)	**-**	0.60
	Net Cash generated/ (used) in Investing Activities	**0.06**	**6.49**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	(Repayment)/ receipt of Borrowings	**16.82**	16.23
	Finance cost paid/converted to loan	**(12.22)**	(24.78)
	Advance from Resolution Professional	**0.10**	
	Dividend paid/ Transferred to IEPF (including Dividend distribution tax)	**-**	(0.60)
	Net Cash generated/(used) in Financing Activities	**4.70**	**(9.15)**
	Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	**(0.30)**	**(6.77)**
	Opening Cash and Cash Equivalents	**0.54**	7.32
	Closing Cash and Cash Equivalents	**0.25**	0.54

Material Accounting Policies 2
The accompanying notes are an integral part of the financial statements.

As per our report annexed of even date
For Jain Saraogi & Co LLP
Chartered Accountants
Firm Regn. No- 305004E/ E300281

Manoj Keshan

Manoj Kumar Keshan
Partner
Membership No. 55272
UDIN: 24055272BKBPQF3062
Place: Kolkata
Dated:30th day of May, 2024

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA 30/5/24

For and on behalf of CARNATION INDUSTRIES LIMITED
(A Company under Corporate Insolvancy Resolution process by an order dated September12th, 2023 passed by Hon'ble NCLT,

Anubrata Gangoly
Resolution Professional

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 * F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED

CIN: - L27209WB1983PLCO35920

Notes to the Financial Statements

1. Corporate Information

Carnation Industries Limited (the Company) is a public limited company domiciled and incorporated in India. The company was engaged in the manufacture of foundry based engineering goods namely Castings having plants in West Bengal. The company is presently under Corporate Insolvency Resolution Process. Its shares are listed on two stock exchanges in India (Bombay Stock Exchange and The Calcutta Stock Exchange Ltd.)

2. Material accounting Policies and Key Estimates and Judgements

2.1 Basis of preparation

The financial statements of the company have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) and Defined benefit plans which are measured at Fair Value. The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS') including the rules notified under the relevant provision of the companies Act, 2013.

The Company's Financial Statements are presented in Indian Rupees (Rs), which is also its functional currency and all values are rounded to the nearest Lacs, except when otherwise indicated.

2.2 Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of tangible and intangible assets, valuation of inventories, sales return, employee costs, assessments of recoverable amounts of deferred tax assets and cash generating units, provisions against litigations and contingencies. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

2.3 Operating Cycle & Current Non Current Classification

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities. The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is current when it is: Expected to be realised or intended to be sold or consumed in normal operating cycle. Held primarily for the purpose of trading. Expected to be realised

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. (I.P.)

within twelve months after the reporting period, or Cash or Cash Equivalent. All other assets are classified as non-current. A liability is current when: It is expected to be settled in normal operating cycle. It is held primarily for the purpose of trading. It is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

2.4 Foreign currency transactions and balances

Foreign exchange gains and losses resulting from the settlement of such transactions and form the re-measurement of monetary items denominated in foreign at year-end exchange rated are recognized in profit or loss.

2.5 Foreign Operations

Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to Statement of Profit and Loss and are recognised as part of the gain or loss on disposal.

2.6 Fair Value Measurement

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value.

2.7 Revenue recognition

(i) Sale of goods and rendering of services :

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, chargebacks and volume rebates allowed by the Company. Accrual for sales returns, chargebacks and other allowances are provided at the point of sale based upon past experience. Adjustments to such returns, chargebacks and other allowances are made as new information becomes available. Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax are excluded from revenue. Profit sharing revenues are generally recognized under the terms of a license and supply agreement in the period such amounts can be reliability measured and collectability is reasonably assured. Revenue from sale of goods is recognized when the following conditions are satisfied: The Company has transferred the significant risks and rewards of ownership of the goods to the buyer; The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold; The amount of revenue can be measured reliably; It is probable that the economic benefits associated with the transaction will flow to the Company; The costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue resulting from the achievement of milestone events stipulated in agreements is recognized when the milestone is achieved. Milestones are based upon the occurrence of a substantive element specified in the contract or as a measure of substantive progress towards completion under the contract. Other Operating revenue is recognised on accrual basis.

ii) Interest Income :

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iii) Dividends :

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 * F.C.A., D.I.S.A. I.P.

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.8 Taxes :

Income tax expense comprises of current tax expense and deferred tax expenses. Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i) Current Income Tax :

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

ii) Deferred taxes :

Deferred tax is recognized using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

2.9 Property, Plant and Equipment :

The Company considers the previous GAAP carrying value for all its Property, Plant and Equipment as deemed cost at the transition date, viz. 1st April 2016.

JAIN SARAOGI & CO LLP * KOLKATA * CHARTERED ACCOUNTANTS

ANUBRATA GANGOLY * ICAI 059014 IDC 14702 * F.C.A., D.I.S.A. I.P.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment of loss, if any.

Cost of any item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition.

Depreciation is provided on the straight line method by depreciating carrying amount of Property, Plant and Equipment over remaining useful life of the assets
Depreciation methods, useful life and residual values are reviewed at each financial year end. The useful life and residual value as per such review is normally in accordance with schedule II of the Companies Act 2013.
The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.10 Investment properties :

Property that is held for non-current rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and borrowing costs where applicable. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised. Investment properties are depreciated using the straight-line method over their estimated useful lives.

2.11 Intangible Asset :

Intangible assets such as marketing intangibles, trademarks, technical know-how, brands and computer software acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalised and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any

2.12 Amortisation methods and periods :

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods: Marketing intangibles, Trademarks, Technical Know How and Brands 2-10 years. Computer software 3 years.

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A.I.P.

2.13 Borrowing Costs :

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

2.14 Impairment of non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

2.15 Inventories :

Raw materials, Consumable Stores and packing materials are valued at lower of cost and net realisable value after providing for obsolescence, if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Stock-in-trade and finished goods are valued at lower of cost and net realisable value. Finished goods and work-in-process include costs of raw material, labour, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on average cost basis including proportionate fixed manufacturing overheads based on actual capacity.

2.16 Financial instruments :

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Asset :

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e; the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories: Debt instruments at amortised cost. Debt instruments at fair value through other comprehensive income (FVTOCI). Debt instruments, derivatives and equity instruments at

JAIN SARAOGI & CO LLP * KOLKATA * CHARTERED ACCOUNTANTS

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

fair value through profit or loss (FVTPL). Equity instruments measured at fair value through other comprehensive income FVTOCI.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
After initial measurement, financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.
Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Equity Investments all equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. De-recognition The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Impairment of Financial Assets The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset or a Group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an expected 'loss event') and that loss





event has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

ii) Financial Liabilities :

Initial recognition and measurement Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss. Loans and Borrowings After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest-bearing loans and borrowings. De-recognition A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

iii) Derivative Financial Instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently





re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

iii) Cash & Cash Equivalents :
Cash and Cash Equivalents represent cash and bank balances and fixed deposits with banks having maturity of 3 months or less. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

iv) Trade Receivable:
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.17 Provisions :
Provisions for legal claims, chargebacks and sales returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.18 Contingencies :
Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.19 Employee Benefits :
Liability on account of short term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit. Post retirement contribution plans such as Employees' Pension scheme and Employees' Provident Fund (for employees other than those who are covered under Employees' provident fund trust) are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds accrue. Post retirement benefit plans such as gratuity and provident fund are determined on the basis of actuarial valuation made by an independent actuary as at the balance sheet date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A.I.P.

i) **Gratuity Obligations :**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

ii) Other Benefit plan – Leave Encashment

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary.

iii) Termination Benefits :

Termination benefits arising are recognised in the Statement of Profit and Loss when: the Company has a present obligation as a result of past event; a reliable estimate can be made of the amount of the obligation; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.20 Government Grants :

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit and loss accounts over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.





2.21 Earning Per Share :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

2.22 Non-current assets and liabilities classified as held for sale and discontinued operations:

Separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

2.23 Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.24 Critical accounting estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Judgements :

(i) Deferred Income Taxes:

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full.

(ii) Research and Developments Costs :

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. (I.P.)

whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Estimates :

(i) Useful lives of various assets:

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

(ii) Current Income Taxes :

The major tax jurisdiction for the Company is India Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

(iii) Sales Returns :

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

(iv) Accounting for Defined Benefit Plans :

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(v) Fair Value of Financial Instruments :

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.





Note 3: PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lacs)

	DESCRIPTION	GROSS BLOCK					DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT	
		AS AT 01/04/2023	ADDITIONS DURING THE YEAR	DELETIONS AND ADJUSTMENTS	ASSETS CLASSIFIED AS HELD FOR SALE	AS AT 31/03/2024	UP TO 01/04/2023	PROVIDED DURING THE YEAR	IMPAIRMENT LOSS	DELETIONS AND ADJUSTMENTS	ASSETS CLASSIFIED AS HELD FOR SALE	UP TO 31/03/2024	AS AT 31/03/2024	AS AT 31/03/2023
1	BUILDINGS	100.10	-	-	-	100.10	11.52	1.64	-	-	-	13.16	86.94	88.58
2	FURNITURE & FITTINGS	0.10	-	-	-	0.10	0.05	-		-	-	0.05	0.05	0.05
3	COMPUTERS P.C	3.23	-	0.18	-	3.05	1.67	-			-	1.67	1.37	1.56
	TOTAL	**103.43**	-	**0.18**	-	**103.25**	**13.25**	**1.64**	-	-	-	**14.89**	**88.36**	**90.18**
	Previous Year	**108.78**	-	**5.35**	-	**103.43**	**14.76**	**1.64**	-	**3.16**	-	**13.25**	**90.18**	**94.02**

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 * F.C.A., D.I.S.A. I.P.

Note 4: INTANGIBLE ASSET

(Rs. In Lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	AS AT 01/04/2023	ADDITIONS DURING THE YEAR	DELETIONS AND ADJUSTMENTS	AS AT 31/03/2024	UP TO 01/04/2023	PROVIDED DURING THE YEAR	DELETIONS AND ADJUSTMENTS	UP TO 31/03/2024	AS AT 31-04-2024	AS AT 31/03/2023
1) ERP SOFTWARE	2.28	-		2.28	2.28	-		2.28	-	-
2) COMPUTER SOFTWARE	1.30	0.10	-	1.40	1.30	0.02	-	1.32	0.08	-
TOTAL	**3.58**	**0.10**	**-**	**3.68**	**3.58**	**0.02**	**-**	**3.60**	**0.08**	**-**
Previous Year	**3.58**	**-**	**-**	**3.58**	**3.58**		**-**	**3.58**	**-**	**-**

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 * F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

(Rs. In Lacs)

Note	Particulars	As on 31.03.2024	As on 31.03.2023
Note 5	**OTHER NON-CURRENT ASSETS**		
	(Unsecured Considered Good)		
	Other Advances (Refer note 5.1)	**14.86**	14.86
	Total	**14.86**	14.86
	Note 5.1:- Advance Represent due from M/s The Salkia Industrial Works against whom Execution case has been filed by the company on failure by the party to pay as per the court order, which is still pending.		
Note 6	**TRADE RECEIVABLES**		
	Trade Receivables (Refer note 6.1 and 6.2 below)	-	26.83
	Less: Provision for Bad & Doubtful debt	-	26.83
	Total	-	-
	Note 6.1:-Trade receivable represents Overdue Export proceeds amounting to Rs. 26.83 Lacs from a customer against whom company had filed ECGC Claim. The claim was rejected by Kolkata Branch of ECGC against which company has filed a review letter to The General Manager ECGC Kolkata. Pending the resolution of the matter Company has made 100% provision against such debt. During the current year of the review petition was rejected by ECGC, accordingly the debt is written off.		

Note 6.2:- Trade Receivable Aging Schedule

As on 31.03.2024

Sl. No.	Particulars	Less than 6 Months	6 Months - 1 Year
i)	Undisputed Trade Receivables - considered good	-	-
ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-
iii)	Undisputed Trade Receivables - credit impaired	-	-
iv)	Disputed Trade Receivables - considered good	-	-
v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-
vi)	Disputed Trade Receivables - credit impaired	-	-

As on 31.03.2023

Sl. No.	Particulars	Less than 6 Months	6 Months - 1 Year
i)	Undisputed Trade Receivables - considered good	-	-
ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-
iii)	Undisputed Trade Receivables - credit impaired	-	-
iv)	Disputed Trade Receivables - considered good	-	-
v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-
vi)	Disputed Trade Receivables - credit impaired	-	-

Note			
Note 7	**CASH AND BANK BALANCES**		
	Cash and Cash Equivalents		
	Cash In hand (As certified by Management)	**0.03**	0.01
	Balances with Banks on Current Accounts	**0.22**	0.53
	Total	**0.25**	0.54
	Note 7.1:-In absence of Bank statement or confirmation from Bank as on 31.03.2024 in respect of 3 current accounts, balance as per books are considered.		
Note 8	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Balance earmarked for unclaimed Dividend (Refer Note no. 8.1)	**1.42**	1.42
	Total	**1.42**	1.42
	Note:8.1 :Unclaimed Dividend amounting to Rs. 1.04 Lacs relating to financial year ended on March 31, 2016 was required to be transferred during the year but could not be transferred to the Investor Education and Protection Fund till the year end.		

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 * F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

(Rs. In Lacs)

Note	Particulars	As on 31.03.2024	As on 31.03.2023
Note 9	**OTHER CURRENT ASSETS**		
	Advances to Employees	-	1.14
	Advances to Supplier/ Service Provider/ Capital Goods	1.97	3.75
	Prepaid Expenses	-	0.11
	Security Deposit (Refer Note 9.1)	1.11	1.11
	Balances with Indirect Tax Authorities		
	GST Input Tax Credit	16.79	15.14
	Deposit against demand raised by customs authorities (Refer note.26(v)(b))	5.54	5.54
	Total	25.42	26.79
	Note 9.1:- Security Deposit includes deposit for utility and deposit with supplier adjustable. In absence of confirmation balance as per books are taken.		

Note	Particulars	As on 31.03.2024	As on 31.03.2023
Note 10	**SHARE CAPITAL**		
	Authorised		
	70,00,000 Equity shares of Rs.10/- each	700.00	700.00
	Issued, Subscribed and Paid-Up		
	34,57,160 Equity Shares of Rs. 10/ each fully paid up (Of the above shares 9,45,900 shares, were alloted as fully paid up by way of bonus shares by capitalisation of General Reserves created out of Profits.)	345.72	345.72
	Total	345.72	345.72

Note : 10.1: Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	No. of shares in Lacs	No. of shares in Lacs
At the Beginning of the period	34.57	34.57
Outstanding at the end of the period	34.57	34.57

Note:- 10.2: Terms/ rights attached to equity shares

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

10.3 :Details of shareholders holding more than 5% shares in the company

Particulars	As on 31.03.2024 No. of shares & Percentage	As on 31.03.2023 No. of shares & Percentage
Ravindra Prakash Sehgal		575865 16.66%
Suvobrata Saha		573598 16.59%
Sajal Kumar Kundu		379050 10.96%
Sumati Sehgal	Refer note 10.4	187675 5.43%
10.4 : Information about shareholding pattaern as on 31st March 2024 could not be obtained from Registrar and share transfer		

10.5 :Details of shareholding of Promotors

Current Financial Year

Shares held by promoters at the end of the year			
Sl. No.	Promotor Name	No. of shares Percentage	% Change during the year
1	Ravindra Prakash Sehgal		0%
2	Suvobrata Saha		0%
	Total	Refer note 10.4	0%

Previous Financial Year

Shares held by promoters at the end of the year			
Sl. No.	Promotor Name	No. of shares Percentage	% Change during the year
1	Ravindra Prakash Sehgal	575865 16.66%	0%
2	Suvobrata Saha	573598 16.59%	0%
	Total	**1149463 33.25%**	**0%**

JAIN SARAOGI & CO LLP KOLKATA CHARTERED ACCOUNTANTS

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

(Rs. In Lacs)

Note	Particulars	As on 31.03.2024	As on 31.03.2023
Note 11	**OTHER EQUITY**		
	Capital Reserves	**48.84**	48.84
	Securities Premium	**306.30**	306.30
	General Reserves	**493.24**	493.24
	Export Business Reserves	**26.89**	26.89
	Retained Earnings	**(1,511.43)**	(1,462.13)
	Total	**(636.15)**	(586.85)
Note 12	**PROVISIONS**		
	Provision for Gratuity	**17.50**	26.57
	Provision for Leave Encashment	**0.82**	0.59
	Total	**18.32**	27.15
Note 13	**DEFERRED TAX LIABILITIES**		
	The major components of the Deferred tax assets/liabilities based on the tax effect on the timing difference are as follows:		
	Deferred Tax Liability/(Assets)		
	Property, Plant & Equipment and Intangible assets	**19.85**	19.99
	Provision for Leave Encashment	**(0.21)**	(0.15)
	Provision for Gratuity	**(4.55)**	(6.91)
	Net Deferred Tax Liability/(Assets)	**15.09**	12.93
Note 14	**BORROWINGS**		
	Secured Loan from ICICI Bank (Refer note 26(iii))	**169.75**	160.29
	Unsecured Loan from Director	**21.86**	14.50
	Total	**191.61**	174.79
Note 15	**TOTAL OUTSTANDING DUES OF MICRO AND SMALL ENTERPRISES**		
	Principal amount of outstanding dues of Micro and Small Enterprises	**10.92**	10.92
	Unpaid Interest outstanding at the end of the year	**17.56**	14.79
	Total	**28.48**	25.71

Note 15.1:- Identification of micro and small enterprises creditors are as per information received by the company from the sundry creditors and have been relied thereon by the auditor.

Note 15.2:- Interest paid in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act, 2006) during the year is NIL (P.Y. NIL).

Note 15.3:- Amount paid to the supplier beyond the appointed day during the year is Rs. NIL (P.Y. Rs.NIL).

Note 15.4:- Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act, 2006 is NIL (P.Y. NIL).

Note 15.5:- Amount of Interest accrued and remaining unpaid at the end of the year is Rs. 17.56 Lacs (P.Y. Rs. 14.79 Lacs). Also refer note 26(iii)).

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 * F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

(Rs. In Lacs)

Note	Particulars	As on 31.03.2024	As on 31.03.2023
Note 16	**TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO AND SMALL ENTERPRISES**		
	-outstanding dues of creditors other than micro enterprises and small enterprises	**69.84**	37.11
	Total	**69.84**	37.11

Creditors Ageing as on 31.03.2024

Sl. No.	Particulars	Less than 1 year	1-2 years
(i)	MSME	**2.77**	9.29
(ii)	Others	**32.83**	5.63
(iii)	Disputed dues - MSME		
(iv)	Disputed dues - Others		
	Grand Total	**35.60**	**14.92**

Creditors Ageing as on 31.03.2023

Sl. No.	Particulars	Less than 1 year	1-2 years
(i)	MSME	**9.29**	
(ii)	Others	**9.85**	2.36
(iii)	Disputed dues - MSME		
(iv)	Disputed dues - Others		
	Grand Total	**19.14**	2.36

Note 17	**OTHER FINANCIAL LIABILITIES**		
	Unclaimed Dividend	**1.42**	1.42
	Interest accrued but not due on Bank borrowing	**-**	1.01
	Advance from Resolution Professional	**0.10**	-
	Total	**1.52**	2.43
Note 18	**OTHER CURRENT LIABILITIES**		
	Advance from Customer	**55.53**	55.53
	Statutory Dues		
	Provident Fund and Professional Tax	**0.08**	0.05
	Tax Deducted at Sources	**1.59**	0.46
	Refundable Duty Drawback (Refer Note: 18.1)	**38.76**	38.76
	Total	**95.96**	94.80

Note 18.1: Duty Drawback accrued and received in earlier years on export sale of goods but corrosponding remittance/ realisation thereof could not be received and accordingly the same is refundable.

JAIN SARAOGI & CO LLP * KOLKATA * CHARTERED ACCOUNTANTS

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED

CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

(Rs. in Lacs)

Note 19	**OTHER INCOME**		
	Interest Received		0.05
	Fair value gain on financial instruments at fair value through profit or loss		0.13
	Dividend		0.01
	Profit on Sale of Property, Plant & Equipments		3.03
	Liability no longer required written back	-	-
	Miscellaneous Receipt	-	-
	Total	-	3.22
Note 20	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries	**3.90**	15.57
	Bonus	**0.27**	1.07
	Workmen & Staff Welfare Expenses	**0.08**	0.25
	Contribution to PF, ESI and other Funds	**0.15**	0.29
	Gratuity	**0.20**	2.72
	Total	**4.60**	19.90
Note 21	**FINANCE COST**		
	Interest		
	- to Bank on Term Loan	**8.44**	12.87
	- on Micro and Small Enterprises	**2.76**	9.29
	Bank Charges	**0.00**	1.11
	Total	**11.21**	23.27
Note 22	**OTHER EXPENSES**		
	Repairs & Maintenance		
	To Other Assets	**1.58**	3.96
	Electricity Charges	**0.85**	1.19
	Office Rent	**1.80**	1.80
	Rates & Taxes	**0.06**	0.90
	Loss on Sale of Fixed Assets	**0.01**	-
	Internal Audit Fees	**0.40**	0.40
	Payment to Auditors (Refer note 22.1)	**2.00**	2.10
	Director's Meeting Fees	**1.10**	2.85
	Legal & Professional Expenses and Service Charges	**17.42**	11.62
	Communication Expenses	**0.11**	0.86
	Refundable Duty Drawback	-	0.18
	Travelling & Conveyance	**0.08**	0.49
	Listing Fees	**3.50**	3.25
	Miscellaneous Expenses	**0.77**	1.99
	Total	**29.68**	31.59
	Note 22.1 Payment to Auditors Includes		
	-Audit Fees	**1.70**	1.70
	-Limited Review fees	**0.30**	0.30
	-Certification	-	0.10
	Total	**2.00**	2.10

Note 23 Profit/ (Loss) from discontinued operations

Note	Particulars	For the Year ended 31.03.2024 Amount (Rs.in Lacs)	For the Year ended 31.03.2023 Amount (Rs.in Lacs)
	Income		
	Revenue From operations	-	-
	Other Income	-	-
	Total Income (I)	-	-
	Expenses		
	Cost of Trading Goods	-	
	Employee benefit expense	-	
23.1	Other expenses	-	31.43
	Total expenses (II)	-	31.43
	Profit/(loss) before exceptional items and tax (I-II)	-	(31.43)

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

Notes to the Financial Statements

Note 23.2	**OTHER EXPENSES**		
	Sundry Debit Balance Written Off	-	4.60
	Provision for Bad and Doubtful debt	-	26.83
	Exchange Rate Difference (Net)	-	
	Security Service Charges	-	
	Total	-	31.43
Note 24	**OTHER COMPREHENSIVE INCOME**		
(A)	**Items that will not be reclassified to profit or loss**		
	Remeasurements of the defined benefit plans		1.94
	Income Tax Relating to these items	-	(0.51)
		-	1.44
(B)	**Items that will be reclassified to profit or loss**		
	Exchange differences in translating the financial statements of a foreign operation	-	-
	Income Tax Relating to these items	-	-
		-	-
Note 25	**Earning Per Share**		
25.a	**Earnings per equity share (for Continuing operations)**		
1)	**Basic Earning Per Share**		
(a)	Net Profit after Tax from Continuing operations (Rs.)	**(49.30)**	(90.58)
(b)	Weighted average number of equity Shares outstanding at the end of the Year (No. Of Shares)	**34.57**	34.57
(c)	Basic Earning Per Share (Rs.) (a/b)	**(1.43)**	(2.62)
(d)	Face Value per equityshare (Rs.)	**10.00**	10.00
2)	**Diluted Earning Per Share**		
(a)	Net Profit after Tax from Continuing operations (Rs.)	**(49.30)**	(90.58)
(b)	Weighted average number of equity Shares outstanding at the end of the Year (No. Of Shares)	**34.57**	34.57
(c)	Diluted Earning Per Share (Rs.) (a/b)	**(1.43)**	(2.62)
(d)	Face Value per equityshare (Rs.)	**10.00**	10.00
25.b	**Earnings per equity share (for Discontinuing operations)**		
1)	**Basic Earning Per Share**		
(a)	Net Profit after Tax from Discontinuing operations (Rs.)	-	(31.43)
(b)	Weighted average number of equity Shares outstanding at the end of the Year (No. Of Shares)	**34.57**	34.57
(c)	Basic Earning Per Share (Rs.) (a/b)	-	(0.91)
(d)	Face Value per equityshare (Rs.)	**10.00**	10.00
2)	**Diluted Earning Per Share**		
(a)	Net Profit after Tax from Discontinuing operations (Rs.)	-	(31.43)
(b)	Weighted average number of equity Shares outstanding at the end of the Year (No. Of Shares)	**34.57**	34.57
(c)	Diluted Earning Per Share (Rs.) (a/b)	-	(0.91)
(d)	Face Value per equityshare (Rs.)	**10.00**	10.00
25.c	**Earnings per equity share (for Total operations)**		
1)	**Basic Earning Per Share**		
(a)	Net Profit after Tax from Total Operations (Rs.)	**(49.30)**	(122.01)
(b)	Weighted average number of equity Shares outstanding at the end of the Year (No. Of Shares)	**34.57**	34.57
(c)	Basic Earning Per Share (Rs.) (a/b)	**(1.43)**	(3.53)
(d)	Face Value per equityshare (Rs.)	**10.00**	10.00
2)	**Diluted Earning Per Share**		
(a)	Net Profit after Tax (Rs.)	**(49.30)**	(122.01)
(b)	Weighted average number of equity Shares outstanding at the end of the Year (No. Of Shares)	**34.57**	34.57
(c)	Diluted Earning Per Share (Rs.) (a/b)	**(1.43)**	(3.53)
(d)	Face Value per equityshare (Rs.)	**10.00**	10.00

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 FCA., D.I.S.A. IP.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

Note : 26: OTHER NOTES

i) One of the unsecured Creditor has filed application for initiation of Corporate Insolvency Resolution Process before National Company Law Tribunal (NCLT) – Kolkata Bench, U/S 9 of Insolvency and Bankruptcy Code 2016 to whom a sum of Rs.6.64 Lacs is due. Honourable National Company Law Tribunal, Kolkata Bench (Court-II) Kolkata has admitted the said application and through its order dated 12/9/2023 has appointed Mr. Anubrata Gangoly as Interim Resolution Professional who has been later confirmed as Resolution Professional by the Committee of Creditors in their meeting dated 18/11/2023. Further a moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016 has been imposed on the Company until the conclusion of the Corporate Insolvency Resolution Process.

ii) Estimated amount of contracts remaining to be executed on Capital Account is NIL (Previous year NIL).

iii) The Company had availed Credit facility (Loan against Property) from ICICI Bank. ICICI Bank vide its letter dated 13th April, 2023 has recalled the credit facility and served notice under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement Security Interest Act (SERFAESI), 2002 vide letter dated 10th May, 2023 and informed that the debt has been classified as Non-performing Asset on 10/03/2023. Accordingly, Company has disclosed the credit facility under current liability.
As stated vide Note 26(i) that the Company has been admitted under Corporate Insolvency Resolution Process (CIRP) on and with effect from Dt:12/09/2023, subsequent to this date the moratorium under section 14 of the Insolvency & Bankruptcy Code, 2016 has been imposed by the Hon'ble NCLT, Kolkata Bench in terms of the provisions of the Code. Accordingly, the liability of all the creditors of the Company stand frozen as on the Insolvency Commencement Date in terms of the provisions of the Code. Accordingly, the interest application on the above credit facility as well as interest application on the Unsecured Outstanding dues of MSME creditor has not been provided post 12/09/2023 as the Company is under CIRP process in terms of the provisions of the Code.

However, had the interest on credit facility obtained from bank and the interest on unsecured outstanding dues of MSME been accounted for the Loss would have been higher by Rs. 8.75 lacs & Rs. 3.06 lacs respectively and the Reserves and Surplus balance would have been lower by equivalent amount.

iv) The Company has incurred losses, its liabilities exceeded total assets and its net worth has been fully eroded as at 31st March, 2024. In view of the continuing default in payment of dues, one of the operational creditor sent notices/letters seeking the amount payable to them and called upon the Company to pay entire dues subsequent to which the said creditor filed an application under the Insolvency & Bankruptcy Code, 2016 with the Hon'ble NCLT, Kolkata Bench. As a consequence of the said application, Corporate Insolvency Process against the Company is in process. As mentioned in note no. 2 above, the Honourable NCLT has admitted a petition to initiate insolvency proceeding against the Company under the Code. As per the Code, it is required that the Company be managed as a going concern during the CIRP. The CoC has approved a Resolution Plan vide its meeting dated 18th April 2024 and the Resolution Professional has subsequently filed an application seeking the approval of the Resolution Plan from the Hon'ble NCLT. Further, the CIRP period continues to be in effect till the CoC approved Resolution Plan is approved by the Hon'ble NCLT. The future prospects of the Company would be determined on the completion of CIRP. Hence, in view of the above facts and continuing operations of the Company, the financial results have been prepared on a going concern basis.

v) **Contingent liability not provided for in respect of :**

a) Disputed Penalty Demanded by SEBI

The Company was served with adjudication order dated 26.08.2022 wherein penalty was imposed by Securities and Exchange Board of India u/s 23E of SCRA, 1956 & Section 15HB of SEBI Act, 1992 for Rs. 5 Lacs on company and Rs. 1 Lacs on each of the officers of the company. The Company has filed an appeal before The Securities Appellate Tribunal, Mumbai in December 2022 and the matter remains sub-judice. Pending the outcome of the matter the penalty has not been accounted for /recognised in the books of accounts but disclosed as contingent liability. The Bank Accounts of the Company were attached by SEBI. During the year under review, SEBI has recovered Rs. 2205.59 p from one of its Bank account which has been accounted for as Other Current Assets in the Books of Accounts.

b) Customs (Duty drawback) refundable

The Company had received demand of Rs. 73.92 Lacs from Customs authorities against which company had filed an appeal before The Commissioner of Customs (Appeal), Kolkata on 10th January, 2023. The Company had deposited a sum of Rs. 5.54 Lacs under protest against this demand which is disclosed as Deposit under Other Current Assets. The Company has received an order rejecting the appeal through appeal order dated 19.12.2023. However, as the company is under CIRP Proceedings, no adjustment against the same is done during the moratorium period.

c) The Company had filed an appeal pertaining to Financial Year 2007-2008 before The West Bengal Commercial Taxes Appellate and Revisional Board against the order passed by the Joint Commissioner of Sales Tax, Kolkata (South) Circle, rejecting the total claim of Input Tax Credit (ITC) for that year and simultaneously have raised demand for Rs. 100.13 lacs. The revision petition as well the appeal is pending. However, on the basis of internal evaluation and discussion with the legal consultant of the company, it is decided that the claim of refundable amount in the books amounting to Rs. 160.44 Lacs including refundable amount adjusted from F.Y. 2013-14 and F.Y. 2015-16 aggregating to Rs. 77.20 Lacs be adjusted/written off in the books and the same has been accounted for in the preceding financial year, even though the company continues to defend the demand raised against it.

d) In addition, the company has a few outstanding legal proceedings which have arisen in the ordinary course of business. However the company's management does not expect this legal proceedings,when concluded will have any material and adverse effect on the financial position of the company.

JAIN SARAOGI & CO LLP * KOLKATA * CHARTERED ACCOUNTANTS

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 * F.C.A., D.I.S.A.I.P.

Notes to the Financial Statements

vi) **Disclosures regarding claim received by Resolution Professional**

There are several claims made by the creditors on the Company which are not matching with the liabilities recognised in the financial statements. The detailed disclosures about such claims are as follows:

Name of Creditor	Amount Claimed (in Rupees)	Amount Admitted (in Rupees)	Amount as per Financial Statements (in Rupees)
Oswal Mineral Ltd	363,448	363,448	358,971
Calcutta Stock Exchange	29,500	29,500	29,500
Zeal Advertising Pvt Ltd	14,700	14,700	14,419
Jain Saraogi & Co. LLP	238,600	238,600	238,600
ICICI Bank Ltd	17,604,204	17,604,204	16,974,500
BSE Ltd	522,740	522,740	351,000
Circular Mansion Unit Owners Association	210,855	210,855	210,855
Tarun Hati	24,081	24,081	24,081
Tapas Kumar Roy	109,890	109,890	109,890
Somnath Pradhan	102,750	102,750	102,750
Ravindra Prakash Sehgal	2,186,215	2,186,215	2,186,215
Lalji Enterprise	1,200,000	1,200,000	663,962
Sani Gopal Roy	81,900	81,900	81,900

vii) **Gratuity and Other Post-Employment Benefit Plans:**

Actuarial Valuation for the Provisions for Employee Benefits being Gratuity and Leave Encashment has not been carried out for the current financial year ending on 31st March 2024. Further the liability against gratuity and leave encashment due to the employees who have tendered their resignation after the Insolvency Commencement Date has not been accounted for in view of the moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of servicegets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The Company also provides Leave Encashment Benefit to employees, whereby unutilised leave is carried forward and eligible for encashment upon retirement / termination.

The following tables summarise the components of net benefit expense recognised in the Profit and Loss Account and amounts recognised in the Balance Sheet for the respective plans.

Profit and Loss Account

Net employee benefit expense (recognised in Employee Cost)

(Rs. In Lacs)

	F.Y. 2023-24		F.Y. 2022-23	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost			1.22	0.04
Interest Cost			1.50	0.03
Expected return on plan assets	Actuarial Valuation for the Provisions		-	-
Curtailment Cost / (Credit)	for Employee Benefits being Gratuity		-	-
Settlement Cost / (Credit)	and Leave Encashment has not been		-	-
Amortization of Past Service Cost	carried out for the current financial		-	-
Actuarial Losses / (Gains)	year ending on 31st March 2024.		-	0.00
Total Expenses recognised in the statement of Profit & Loss	**0.00**	**0.00**	**2.72**	**0.07**

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

Balance Sheet

(Rs. In Lacs)

	F.Y. 2023-24		F.Y. 2022-23	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of Defined Benefit Obligation	Actuarial Valuation for the Provisions for Employee Benefits being Gratuity and Leave Encashment has not been carried out for the current financial year ending on 31st March 2024.		26.57	0.59
Fair Value of Plan Assets			-	-
Funded Status [Surplus/(Deficit)]			(26.57)	(0.59)
Effect of Balance Sheet Asset Limit			-	-
Unrecognised Past Service Costs			-	-
Net Asset/(Liability) recognised in Balance Sheet	**0.00**	**0.00**	**(26.57)**	**(0.59)**

Changes in the present value of defined benefit obligation are as follows:

	F.Y. 2023-24		F.Y. 2022-23	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening defined benefit obligation			25.79	0.54
Current Service Cost			1.22	0.04
Interest Cost			1.50	0.03
Curtailment Cost / (Credit)			-	-
Settlement Cost / (Credit)			-	-
Employee Contribution	Actuarial Valuation for the Provisions for Employee Benefits being Gratuity and Leave Encashment has not been carried out for the current financial year ending on 31st March 2024.		-	-
Plan Amendments			-	-
Acquisitions			-	-
Actuarial (gains)/Losses			(1.94)	(0.02)
Benefits Paid				
Closing defined benefit obligation	**0.00**	**0.00**	**26.57**	**0.59**

Change in the fair value of Plan Assets are as follows:

(Rs. In Lacs)

	F.Y. 2023-24		F.Y. 2022-23	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening fair value of plan assets	Actuarial Valuation for the Provisions for Employee Benefits being Gratuity and Leave Encashment has not been carried out for the current financial year ending on 31st		-	-
Actual return on plan assets			-	-
Actual Company Contributions			-	-
Employee Contributions			-	
Benefits paid			-	-
Closing fair value of plan assets	-	-	-	-

The principal assumptions are the (1) discount rate & (2) Salary increase.

The discount rate should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary increase should take account of inflation, seniority, promotion and other relevant factors.

The financial assumptions employed for the calculations are as follows:

(Rs. In Lacs)

	F.Y. 2023-24		F.Y. 2022-23	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate per annum compounded	Provisions for Employee Benefits being Gratuity and Leave Encashment has not been carried out for the current financial year ending on 31st March 2024.		7.10%	7.10%
Rate of increase in salaries			5.00%	5.50%
Expected Average remaining working lives of employees (years)			5.50	18.00

Scheme is not funded through any trust fund and therefore no assumption regarding expected rate of return on assets is applicable.

Amount for the current period are as follows:

(Rs. In Lacs)

	F.Y. 2023-24		F.Y. 2022-23	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined benefit obligation	Actuarial Valuation for the Provisions for Employee Benefits being Gratuity and Leave Encashment has not been carried out for the current financial year ending on 31st		26.57	0.59
Plan Assets			-	-
Surplus / (deficit)			**(26.57)**	**(0.59)**

Previous year information and data are based on actuarial certification as on 31st March, 2023.

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

viii) In the opinion of the board, all Current Assets and Non-Current Assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts.Balance confirmation from certain vendors are yet to be received by the company.

ix) The assets and liabilities which are expected to be realised and payable in the ordinary course of business not later than 12 months from the reporting date have been classified as current assets and current liabilities in the Balance Sheet. All other assets and liabilities have been classified as non-current .

x) The Company had been engaged in the business of manufacturing of Castings and M.S. Products (Fabricated Steel) but has discontinued its manufacturing operations. The product as manufactured hitherto were subject to the same risk and returns and hence constitute one primary segment. The analysis of geographical segments was based on the areas in which the Company operated. The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced.

Sales Revenue By Geographical Market

		(Rs. in lacs)
	F.Y. 2023-24	**F.Y. 2022-23**
Export Sales (Net of Freight)	-	-
Domestic Sale (Excluding Duty and Tax)	-	-

The Company has common cost, assets and liabilities for all geographical segments, hence separate figures for segment results, fixed assets/addition to fixed assets and liabilities have not been furnished.

xi) Related party disclosures and transactions:

SL.	Name	Relationship	Nature of Transaction	Amount (Rs. In Lacs)	Outstanding (Rs. In Lacs)
1	Mr.R.P.Sehgal	Suspended Managing Director	Meeting Fees	0.30 (0.61)	0.30 (0.42)
2	Mr.Suvobrata Saha (Resigned on 13.04.23)	Suspended Jt. Managing Director	Meeting Fees	0.00 (0.30)	0.00 (0.14)
3	Mr. Arun Kumar Bose	Suspended Non Executive Director	Meeting Fees	0.25 (0.55)	0.18 (0.05)
4	Dr. Sephali Roy	Suspended Non Executive Director	Meeting Fees	0.35 (0.77)	0.27 (0.05)
5	Mr. Subir Chatterjee	Suspended Non Exceutive Director	Meeting fees	0.20 (0.61)	0.14 (0.05)
6	Mr. Sanjay Agarwal (Resigned on 08.05.23)	Company Secretary	Remuneration	1.21(11.16)	0.00 (0.47)
7	Mr.Somnath Pradhan (Resigned on 30.09.23)	Chief Financial Officer	Remuneration	2.82 (5.64)	1.46 (Nil)
8	Mr.R.P.Sehgal	Suspended Managing Director	Loan received from director	7.36 (18.00)	21.86 (14.50)
			Loan repaid to direct	Nil(3.50)	

Note: Figures in bracket represents previous year figures

JAIN SARAOGI & CO LLP * KOLKATA * CHARTERED ACCOUNTANTS

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

xii) **Earnings and Expenditure in Foreign Exchange during the year**

(Rs. in lacs)

		31.03.24	31.03.23
a).	Earnings in Foreign Exchange during the year	Nil	Nil
b).	Expenditure in Foreign Currency	Nil	Nil

xiii) **Financial Instrument**

Financial Instrument by category

Level-1 Quoted Price (unadjusted) is active markets for identical assets or liabilities

Level-2 Inputs other than quoted prices included within Level-1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e.) derived from prices).

Level-3 Inputs are unobservable inputs for the assets or Liability.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2024

Particulars	Fair value measurement at end of the reporting period/ year using Amount (Rs. In Lacs)		
	Level 1	Level 2	Level 3
Assets			
Investments in equity instruments	NIL (P.Y. NIL)	NIL (P.Y. NIL)	NIL (P.Y. NIL)
Liabilities			
Derivative financial instruments	NIL (P.Y. NIL)	NIL (P.Y. NIL)	NIL (P.Y. NIL)

Note:-

a) Other Financial Assets and Liabilities are stated at amortised cost which is approximately equal to their fair value.
b) Derivative are fair valued using Market observable rates and Published price together with forcast cash flow information where applicable.
c) There have been no transfers between level 1 and Level 2 for the years ended March 31, 2024

xiv) **Financial risk management objective and policies**

The Company's financial liabilities include Loan and borrowing, and Trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include investments, trade & other receivables, deposits and cash & cash equivalents.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

The Company's activities expose it to Credit Risk, Liquidity Risk, Market Risk, and Equity Price Rise. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Credit Risk- A risk that counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss is defined as Credit Risk. The Company is exposed to credit risk from its operating and financial activities.

Customer credit risk is managed by the respective marketing department subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company reviews the creditworthiness of these customers on an on-going basis. The Company estimates the expected credit loss on the basis of past data, experience and policy laid down in this respect. The maximum exposure to the credit risk at the reporting date is the carrying value of the trade receivables disclosed in Note No. 7 as the Company does not hold any collateral as security. The Company has a practice to provide for doubtful debts as per its approved policy.

Liquidity Risk-A risk that the Company may not be able to settle or meet its obligations at a reasonable price is defined as liquidity risks. The Company's finance department is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, Term loans among others.

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY * ICAI 059014 IBBI 14702 * F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

Amount (Rs. in Lacs)

Particulars	On Demand	Past due		Total
		Less Than Year	More than Year	
As at 31st March , 2024				
Borrowings	-	191.61	-	191.61
Trade Payables		98.32	-	98.32
Other Financial Liabilities		1.52		1.52
Total	-	**291.45**	-	**291.45**
As at 31st March , 2023				
Borrowings	-	174.79	-	174.79
Trade Payables		62.82		62.82
Other Financial Liabilities		2.43		2.43
Total	-	**240.04**	-	**240.04**

Foreign Currency Risk- A risk that the fair value or future value of the cash flows of a forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export and derivatives operating activities. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.

Market Risk- A risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices is defined as Marketing Risk. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

xv) Figures for the previous year are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current year classification / disclosure.

xvi) Balances of Borrowings from Banks, Security Deposits, Loans and Advances, Current Account of Banks and Trade Payables are subject to confirmation from the respective parties and consequential reconciliation/ adjustment arising there from, if any.

xvii) Trade Receivable from a foreign Debtor/Customer (related party) amounting to Rs. 1751.59 Lacs which was outstanding for more than 5 years was written off during the financial year 2020-21as the said party is in the course of filing insolvency and bankruptcy proceeding in its resident country. The necessary approvals for write off from the appropriate authorities are yet to be obtained and the company is in the process of filing application for getting the same.

xviii) Since long the EDPMS portal was reflecting a large number of overseas Bills outstanding which had been either paid or settled with the ECGC claim. The Company put in a lot of efforts with the Banks to have the situation corrected and certified by the Bank. As on 31/03/2024 bills aggregating to Rs.130.76 lacs still continues to appear as pending with State Bank of India and efforts are being made to have those cleared up.

xix) **Discontinuing operation**

The Company was facing severe financial crisis since last three years. However, due to pandemic the situation became aggravated and acute coupled with the fact that creditors were not being paid and the company was under huge pressure from the vendors and others for release of payment failing which threats of legal action could be perceived. In order to settle the vendors and to tide over the financial hardship and avoid protracted and large number of unwarranted litigation, the Board having explored all alternative avenues for financing but without any success was forced to decide to liquidate the assets in order to arrange payments to the vendors, professionals and others including statutory liabilities.

At the Extraordinary General Meeting held on 25th April, 2019 a resolution was passed by the shareholders of the Company wherein authorization was given to the Board of Directors to dispose the whole or substantially the whole of the assets including and not limited to Uluberia unit of the Company for such consideration and on such terms and conditions as the Board of Directors of the Company consider beneficial to the Company. In view of the powers so conferred by the shareholders at the Board of Directors meeting held on 13th November, 2020, a resolution was passed giving powers to Managing Director/Jt. Managing Director to look for buyers and sell the property, plant and equipment of the Company, at the best possible price, and to place details of such sales before the Board. As stated herein before, the operations were discontinued in December 2020 quarter , the company has treated all the property plant and equipment located at its manufacturing facility and warehouse under asset held for sale and disclosed as such in books of accounts with effect from 31.12.2020. Sale of such property plant and equipment for which agreement was entered into concluded during the year ended 31.03.2021.

In accordance with Ind AS 105, we have disclosed profit/ (loss) of the discontinued operations in the statement of profit or loss separately; also figures presented in prior periods are re-presented for the operations discontinued by the end of the reporting period.

Cash Flow from discontinued operations

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

Particulars	For the year ended on 31.03.2024 Amount (Rs. in lacs)	For the year ended on 31.03.2023 Amount (Rs. in lacs)
Cash Flow from operating activities	-	21.63
Cash Flow from Investing Activities	-	-
Cash Flow from Financing Activities	-	-
Net Cash Flow from discontinued Operations	-	21.63

xx) Title Deeds of Immovable Property is held in name of the Company and the same is deposited with ICICI Bank as security against credit facility.

The Company does not have any investment property.

xxi) The Company has not Revalued any of its Property, Plant and Equipment

xxii) The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMPs and related parties.

xxiii) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

xxiv) The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

xxv) The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

xxvi) No charges or satisfaction yet to be registered with ROC beyond the statutory period .

xxvii) Company doesnot have any Holding, Subsidiary or associate .

JAIN SARAOGI & CO LLP * CHARTERED ACCOUNTANTS * KOLKATA

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A.I.P.

CARNATION INDUSTRIES LIMITED
CIN:- L27209WB1983PLC035920

Notes to the Financial Statements

xxviii **Ratio Analysis**

Particulars	Year ended 31-03-2024	Year ended 31-03-2023	Change (%)	Explanation for change in ratios more than 25% as compared to previos year
(a) Current Ratio	0.07	0.09	-1.59%	Refer to note number 26(xix) regarding discontinuation of operations of Company
(b) Debt-Equity Ratio	(0.66)	(0.72)	6.52%	
(c) Debt-Service Coverage Ratio	N.A	(2.33)	N.A	
(d) Return on Equity Ratio (%)	0.17	0.51	-33.62%	
(e) Inventory Turnover Ratio	N.A	N.A	N.A	
(f) Trade Receivables Turnover Ratio	N.A	N.A	N.A	
(g) Trade Payables Turnover Ratio	N.A	N.A	N.A	
(h) Net Capital Turnover Ratio	N.A	N.A	N.A	
(i) Net Profit Ratio (%)	N.A	N.A	N.A	
(j) Return on Capital Employed (%)	0.13	0.22	-8.82%	
(k) Return on Investment (%)	N.A	0.12	N.A	

Explanation to the items included in numerator and denominator for computing the above ratios:

Ratio	Numerator	Denominator
(a) Current Ratio	Current Assets	Current Liabilities
(b) Debt-Equity Ratio	Long Term Borrowings & Short Term	Share holders equity
(c) Debt-Service Coverage Ratio	Profit before depreciation, Interest &	Interest + Principal repayments (for the next
(d) Return on Equity Ratio (%)	Profit after Tax	Shareholders funds
(e) Inventory Turnover Ratio	Sales/ Turnover	Average Inventory
(f) Trade Receivables Turnover Ratio	Sales/ Turnover	Average Trade Receivables
(g) Trade Payables Turnover Ratio	Purchases	Average Trade Payables
(h) Net Capital Turnover Ratio	Sales/ Turnover	Working Capital
(i) Net Profit Ratio (%)	Net Profit after Tax	Sales/ Turnover
(j) Return on Capital Employed (%)	Earnings before Interest and Taxes	Tangible Net Worth + Deferred Tax
(k) Return on Investment (%)	Income generated from investments	Average investments

xxix) (A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

xxx) Undisclosed Income - The Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

xxxi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

JAIN SARAOGI & CO LLP * KOLKATA * CHARTERED ACCOUNTANTS

ANUBRATA GANGOLY ICAI 059014 IBBI 14702 F.C.A., D.I.S.A. I.P.