

11/08/2023

The Secretary Listing Department The BSE Ltd. P.J. Towers, Dalal Street Mumbai-400001	The Secretary The Calcutta Stock Exchange Ltd. 7, Lyons Range Kolkata-700001
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Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on 11th August, 2023.**Ref: Regulation 30 and 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**

This is inform you that the Board of Directors of the company at its meeting held today i.e. 11th August, 2023, interalia , have taken the following decisions:

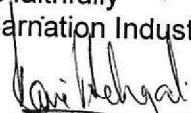
The unaudited Financial Results of the Company for the Quarter Ended 30th June, 2023, duly reviewed by the Statutory Auditors, alongwith Limited Review Report (enclosed), was approved by the Board of Directors.

The meeting commenced at 12.00 PM and concluded at 4.15 PM

This is for your information and records.

Thanking you

Yours faithfully
For Carnation Industries Ltd.


Ravindra Prakash Sehgal
(Managing Director)
DIN No. 00119477



Encl: as above

Independent Auditor's Review Report on Interim Financial Results

To
The Board of Directors
Carnation Industries Limited
9/C, Kumar Para Road,
2nd Floor, Liluah,
Howrah-711204

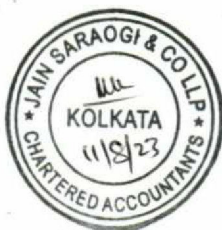
1. We have reviewed the accompanying Statement of Unaudited Ind AS Financial Results of **Carnation Industries Limited** ("the Company") for the quarter ended June 30, 2023 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under section 133 of Companies Act, 2013 read with Rule 3 of Companies (Indian accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in its meeting held on August 11, 2023. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. (a) As stated in noteno.14 of the Statement, regarding preparation of Statement on Going Concern basis for the reasons stated therein. The Company has discontinued its manufacturing operations and as represented has plans to resume the trading activity but necessary and evident steps to start the same is not being transformed into action and or no substantive effort is reflected in the action. As stated in Note 14 the appropriateness of Going Concern is dependent upon various initiatives undertaken by the company including claim from ECGC, feasibility and sustainability of the proposed trading activities, arrangement for financial resources in order to meet working/ long term capital requirement of the trading activity and payment/ settlement of existing unsecured creditors as well as various demands raised by different regulatory authorities and financial institution.

The Company has accumulated losses of Rs. 1481.85 Lacs leading to negative net worth of Rs. 260.86 Lacs as at 30th June, 2023, which has resulted in complete erosion of the net worth of the Company. The Company's current liabilities exceeds its current assets by Rs. 331.95 Lacs as at 30th June, 2023.

(b) We draw attention to Note No. 4 of the Statement 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.

- (c) We draw attention to note no. 5 of the statement regarding claim from ECGC.
- (d) We draw attention to Note no. 6 of the statement 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.
- (e) We draw attention to Note 7 of the accompanying statement regarding a petition under section 9 of Insolvency and Bankruptcy code, 2016 filed with Hon'ble NCLT, Kolkata Bench by an operational creditor for initiation of Corporate Insolvency Resolution Process which has been reserved for orders.
- (f) We draw attention to Note 8 of the accompanying statement regarding recall of credit facility by bank.
- (g) We draw attention to Note 9 of the accompanying statement 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.
- (h) We draw attention to Note 10 of the accompanying statement regarding demand raised by Customs authority.
- (i) We draw attention to Note 12 of the accompanying statement regarding pending marking off compliance in respect of overseas bills.
5. Based on our review conducted as mentioned in paragraph 3 above and subject to the possible effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind As") specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed or that it contains any material misstatement.

Place: Kolkata
Date: 11th August, 2023.

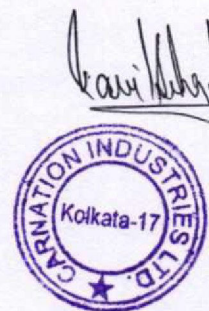
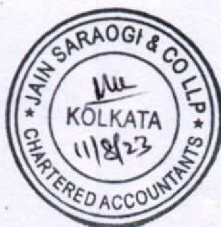


For JAIN SARAOGI & CO LLP
Chartered Accountants
FRN: 305004E/E300281

A handwritten signature in black ink, appearing to read 'Manoj Keshan'.

Partner: Manoj Keshan
Membership No. 055272
UDIN:23055272BGSKRB9860

CARNATION INDUSTRIES LIMITED					
Regd. Office : 9/C,Kumar Para Road,2nd Floor,Liluah,Howrah - 711204					
CIN:L27209WB1983PLCO35920					
Email: ravisehgal5@gmail.com, Website :www.carnationindustries.com					
Statement of Unaudited Financial Results for the Quarter ended 30th June, 2023					
SL. No.	Particulars	Quarter -Ended			(Rs. in lakhs)
					Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
A.	CONTINUING OPERATIONS				
1.	Income				
	a)Revenue From Operations		-		
	b)Other Income	-	(0.05)	3.09	3.22
	Total Income	-	(0.05)	3.09	3.22
2.	Expenses				
	a) Cost of materials consumed	-	-	-	-
	b) Cost of Goods Traded	-	-	-	-
	c) Changes in inventories of finished goods,work-in-progress and stock-in-trade	-	-	-	-
	d) Employee benefits expense	2.79	3.77	5.39	19.90
	e) Finance costs	5.63	6.15	2.95	23.27
	f) Depreciation and amortisation expense	0.41	0.40	0.41	1.64
	g) Other expenses	8.47	5.63	11.91	31.59
	Total Expenses	17.30	15.96	20.66	76.41
3.	Profit/(Loss) before exceptional items and tax (1-2)	(17.30)	(16.02)	(17.57)	(73.20)
4.	Exceptional Items		-		-
5.	Profit/(Loss) before tax (3-4)	(17.30)	(16.02)	(17.57)	(73.20)
6.	Tax Expense:	2.42	15.92	2.33	17.39
7.	Profit/(Loss) for the period from continuing operations (5±6)	(19.72)	(31.93)	(19.90)	(90.58)
B.	DISCONTINUED OPERATIONS (refer note 6)				
8.	Profit/ (Loss) for the period from discontinued operations (before tax)	-	(26.83)		(31.43)
9.	Less: Tax expenses of discontinued operations	-			
10.	Post- tax Profit/ (Loss) for the period from discontinued operations (after tax)	-	(26.83)	-	(31.43)
11.	Net Profit from total operations (7+10)	(19.72)	(58.76)	(19.90)	(122.01)
12.	Other Comprehensive Income				
	A. (i) Items that will not be reclassified to profit or loss	-	1.94	-	1.94
	(ii) Income tax relating to above items	-	(0.51)	-	(0.51)
	Total other comprehensive income/ (loss), net of tax	-	1.44	-	1.44
13.	Total Comprehensive Income for the period (11 ± 12)	(19.72)	(57.33)	(19.90)	(120.58)
14.	Equity Share Capital				345.72
15.	Other Equity				(586.86)
16.	Earnings per Share (of Rs. 10/-each) (for continuing operations)				
	a) Basic	(0.57)	(0.92)	(0.58)	(2.62)
	b) Diluted	(0.57)	(0.92)	(0.58)	(2.62)
17.	Earnings per Share (of Rs. 10/-each) (for discontinued operations)				
	a) Basic	-	(0.78)	-	(0.91)
	b) Diluted	-	(0.78)	-	(0.91)
18.	Earnings per Share (of Rs. 10/-each) (total)				
	a) Basic	(0.57)	(1.70)	(0.58)	(3.53)
	b) Diluted	(0.57)	(1.70)	(0.58)	(3.53)



CARNATION INDUSTRIES LIMITED

Regd. Office: 9/C, KUMAR PARA ROAD, 2ND FLOOR, LILUAH, HOWRAH-711204

CIN: L27209WB1983PLC035920

Email: ravisehgal5@gmail.com

Website : www.carnationindustries.com

Notes:-

1. The Unaudited Financial Results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 11th August, 2023.
2. Figures for the previous period are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current year classification / disclosure.
3. The Company had been engaged in the business of manufacturing of Castings and M.S. Products (Fabricated Steel) but has discontinued its manufacturing operations since December, 2020 quarter. The product as manufactured hitherto were subject to the same risk and returns and hence constituted one primary segment. The analysis of geographical segments was based on the areas in which the Company operated.
4. 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 2020-21 as 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.
5. 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 which is pending. Pending the resolution of the matter Company has made 100% provision against such debt.
6. 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.
7. One of the unsecured Creditor has filed application 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. The Case was last heard on 7th February, 2023 and has been remarked as “Reserved for orders” by the Honourable Kolkata Bench of NCLT.
8. The Company has availed Credit facility (Loan against Property) from ICICI Bank. ICICI Bank vide its letter dated 13th April, 2023 has recalled the credit facility. Further ICICI Bank has 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.

Interest on above credit facility is provided at the contractual rate during the quarter.



Ravi Sehgal



9. 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.
10. The Company has received a demand of Rs. 73.92 Lacs from Customs authorities against which company has filed an appeal before The Commissioner of Customs (Appeal), Kolkata on 10th January, 2023 and the matter remains sub-judice. Pending the outcome of the matter the said demand is not accounted for/recognised in the books of accounts but disclosed as contingent liability.
11. 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 also raised a demand for Rs.100.13 lacs. The revision petition and the appeal are still 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.
12. 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 30/06/23 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.

13. 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



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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 quarter 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.

Analysis of Profit/ (Loss) - Discontinued Operations

(Rs. In Lakhs)

SL. No.	Particulars	Quarter -Ended			Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		(Audited)	(Unaudited)	(Audited)	(Audited)
1.	Total Income	-	-	-	-
2.	Total Expenses	-	26.83	-	31.43
3.	Profit/(Loss) before exceptional items and tax (1-2)	-	(26.83)	-	(31.43)
4.	Exceptional Items	-	-	-	-
5.	Profit/(Loss) before tax (3-4)	-	(26.83)	-	(31.43)
6.	Tax Expense	-	-	-	-
7.	Net Profit after tax (5-6)	-	(26.83)	-	(31.43)

14. The "Turnaround Plan" as approved up by the Board of Directors was partially successful in so far as they related to disposal of property, plant and equipment and consequential realization of sale proceeds. The company was able to negotiate and settle with secured lenders except one under one time settlement scheme. However, dues of revenue authorities, creditors and other payable could not be fully paid or settled and the company continues to face regular hardship in managing them. However, the Board of Director's are working on various options as a survival strategy:

- a) Efforts to negotiate with creditors and other parties in order to arrive at mutually agreed settlement and payment to them in accordance with the terms finalized in order to avoid litigation and also to identify manufacturers of the products from whom goods could be sourced for the purpose of resuming trading activity. The management of the Company has been partially successfully in negotiating and settling the dues of majority of unsecured creditors at a discounted value with mutual consent. However, there are still unsecured creditors with whom the process is under progress.



- b) Continue to Increase efforts to ensure early realization of amount i.e., refundable taxes or duties lying with different Revenue Authorities.
- c) The claims lodged with ECGC have either been settled or rejected. However, in the case of a foreign debtor Put in efforts to process the claim on one overseas buyer.
- d) The company has substantially reduced the overall staff strength.
- e) Once the old liabilities are settled and when the financial ratio improves, the Company would seek financial resources to meet the Working Capital arrangement for trading operations from financiers and promoter Directors.
- f) One of the promoter Director have put in funds to continue the operation of the company.

The above plan has been approved by the Board of Directors. Accordingly, the financial results continue to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities except to the extent as specified herein above.

Place: Kolkata
Date: 11.08.2023



By Order of the Board

(R.P. Sehgal)
(Managing Director)

