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E-mail : info@carnationindustries.com, Web : www.carnationindustries.com.

CIN : L27209WB1983PLCO35920

12.11.2021

The Secretary Listing Department The BSE Ltd. P.J. Towers, Dalal Street Mumbai – 400 001	The Secretary The Calcutta Stock Exchange Ltd. 7, Lyons Range Kolkata – 700 001
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Dear Sir/Madam,

Sub: Outcome of the Board Meeting[®] held on 12th November, 2021**Ref: Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Unaudited Financial Results of the Company for the Quarter Ended 30th September, 2021, duly reviewed by the Statutory Auditors, alongwith Limited Review Report (enclosed), was approved by the Board of Directors.

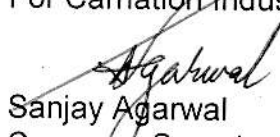
The Board decided to change the Registered Office of the Company from 28/1, Jheel Road, Howrah - 71106 to 9/C Kumar Para Road, Liluah, Howrah – 711204 w.e.f. 1st January, 2021. The Change is within the local limits of the city.

The meeting commenced at 6 P.M. and concluded at 7.45 P.M.

This is for your information and records.

Thanking you

Yours faithfully
For Carnation Industries Limited


Sanjay Agarwal
Company Secretary
M. No. A 15785**Encl: as above**



JAIN SARAOGI & CO.

CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report

To
The Board of Directors
Carnation Industries Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **Carnation Industries Limited** ("the Company") for the quarter ended September 30, 2021 and year to date from 1st April, 2021 to 30th September, 2021 ("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, and other accounting principles generally accepted in India and in compliance with the Listing Regulations, 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 November 12, 2021. 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 Engagements (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) The company in the Financial Year 2018-19 had realised foreign trade receivables pertaining to related party against Bills purchased by banks amounting to Rs. 263.35 lakhs which were credited in bank account other than the bank account maintained with the Bill Purchasing bank (lending banks) without obtaining permission of the concerned bank. However, the amount taken against those bills from the lending banks has since been settled by way of one time settlement with them but the process of marking off the respective bills from the EDPMS is yet to be complied with.
b) We draw attention to Note No. 5 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. 6 of the statement regarding non provision of overdue trade receivables.
d) We draw attention to Note no. 7 & 8 of the statement regarding the balances of Trade Receivables, Security Deposits, Loans and Advances, Trade payable, secured loan from ICICI Bank are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any.



e) We draw attention to Note 11& 12 of the accompanying statement, which describe management's assessment of uncertainty relating to the effects of the COVID-19 pandemic on the Company's operations and other related Matters.

f) We draw attention to Note 13 of the accompanying statement regarding filing of petition with NCLT, Kolkata Bench by a creditor for realisation of its dues.

5. Material Uncertainty Related to Going Concern

We draw attention to Note 10 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 plans to resume the trading activity. As stated in Note 10 the appropriateness of Going Concern is dependent upon various initiatives undertaken by the company including realisation of Trade receivables, feasibility and sustainability of the 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.

These events or conditions as set forth herein above and possible effect of COVID-19 pandemic as described in note 11 and 12 of the statement, indicate that a material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern.

We have not performed any audit and accordingly, we do not express an audit opinion.

6. Based on our review conducted as mentioned in paragraph 3 above and subject to the possible effects of the matters described in paragraph 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards 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.

Date:- 12.11.2021
Place:- Kolkata



For JAIN SARAOGI & CO.
Chartered Accountants
Firm Regn No. 305004E

Ravi Kumar

Ravi Kumar
Partner
M.No.: 304392
UDIN:21304392AAAABG9735

CARNATION INDUSTRIES LIMITED
 Regd. Office : 28/1, JHEEL ROAD, LILUAH, P.O.-SALKIA, HOWRAH-711106.
 CIN: L27209WB1983PLCO35920

Email: sanjay@carnationindustries.com, Website : www.carnationindustries.com

Statement of Assets and Liabilities

SL. No.	Particulars	(Rs. in lakhs)	
		As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	96.35	105.67
	Financial Assets		
	- Investments	1.40	1.28
	Other Non-current assets	14.86	14.86
2	Current assets		
	Inventories	-	6.04
	Financial Assets		
	a) Trade Receivables	61.23	62.54
	b) Cash and cash equivalents	29.52	706.42
	c) Bank balance other than included in cash and cash equivalents	2.84	2.84
	Current Tax Assets (net)	37.65	36.73
	Other current assets	301.37	472.50
3	Assets classified as held for sale	8.30	17.44
	TOTAL - ASSETS	553.53	1,426.34
B	EQUITY AND LIABILITIES		
1	Equity and Liabilities		
	Equity		
	Equity Share Capital	345.72	345.72
	Other Equity	(373.75)	(391.08)
2	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	a) Borrowings	159.34	152.56
	Provisions	27.62	33.55
	Deferred Tax Liabilities (net)	12.72	1.40
3	Current Liabilities		
	Financial Liabilities		
	a) Borrowings		
	b) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	86.37	224.27
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	190.56	821.29
	c) Other financial liabilities	4.75	16.66
	Other current liabilities	100.28	221.97
	TOTAL - EQUITY AND LIABILITIES	553.53	1,426.34



Subir Chakraborty

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Statement of Audited Financial Results for the Quarter and six months ended 30th September, 2021

SL. No.	Particulars	Quarter - Ended			Half Year Ended		(Rs. in lakhs)
		30.09.2021	30.06.2021	30.09.2020	30.09.21	30.09.2020	Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A. CONTINUING OPERATIONS							
1. Income							
a) Revenue From Operations		-	-	-			
b) Other Income		145.08	0.20	0.68	145.28	2.27	8.83
Total Income		145.08	0.20	0.68	145.28	2.27	8.83
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		12.50	17.65	19.75	30.15	40.20	88.71
e) Finance costs		6.33	6.76	19.84	13.09	24.52	43.98
f) Depreciation and amortisation expense		0.42	0.44	0.98	0.86	1.96	2.08
g) Other expenses		5.11	11.27	11.92	16.38	22.07	80.71
Total Expenses		24.36	36.12	52.49	60.48	88.75	215.49
3. Profit/(Loss) before exceptional items and tax (1-2)		120.72	(35.92)	(51.81)	84.80	(86.48)	(206.65)
4. Exceptional Items		-	-	-	-	-	-
5. Profit/(Loss) before tax (3-4)		120.72	(35.92)	(51.81)	84.80	(86.48)	(206.65)
6. Tax Expense		-	-	-	-	-	-
7. Profit/(Loss) for the period from continuing operations (5±6)		120.72	(35.92)	(51.81)	84.80	(86.48)	(206.65)
B. DISCONTINUED OPERATIONS (refer note 6)							
8. Profit/ (Loss) for the period from discontinued operations (before tax)		(363.00)	306.85	(34.89)	(56.15)	(16.40)	(587.97)
9. Less: Tax expenses of discontinued operations		4.57	6.75	0.11	11.32	0.74	(18.94)
10. Post-tax Profit/ (Loss) for the period from discontinued operations (after tax)		(367.57)	300.10	(35.00)	(67.47)	(17.14)	(669.03)
11. Net Profit from total operations (7+10)		(246.85)	264.18	(86.81)	17.33	(103.62)	(775.68)
12. Other Comprehensive Income							
A. (i) Items that will not be reclassified to profit or loss		-	-	-	-	-	(11.79)
(ii) Income tax relating to above items		-	-	-	-	-	3.06
Total other comprehensive income/ (loss), net of tax		-	-	-	-	-	(8.72)
13. Total Comprehensive Income for the period (11 ± 12)		(246.85)	264.18	(86.81)	17.33	(103.62)	(784.40)
14. Equity Share Capital							
15. Earnings per Share (of Rs. 10/-each) (for continuing operations)							
a) Basic		3.49	(1.04)	(1.50)	2.45	(2.50)	(5.98)
b) Diluted		3.49	(1.04)	(1.50)	2.45	(2.50)	(5.98)
16. Earnings per Share (of Rs. 10/-each) (for discontinued operations)							
a) Basic		(10.63)	8.68	(1.01)	(1.95)	(0.50)	(16.46)
b) Diluted		(10.63)	8.68	(1.01)	(1.95)	(0.50)	(16.46)
17. Earnings per Share (of Rs. 10/-each) (total)							
a) Basic		(7.14)	7.64	(2.51)	0.50	(3.00)	(22.44)
b) Diluted		(7.14)	7.64	(2.51)	0.50	(3.00)	(22.44)



Subir Chatterjee

CARNATION INDUSTRIES LIMITED
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 Statement of Cash Flows for the six months ended 30th September, 2021

		(Rs. In Lacs)	
PARTICULARS		Six months ended 30.09.2021	Six months ended 30.09.2020
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(loss) before exceptional items and tax	28.65	(102.88)
	<u>Adjustments for:</u>		
	-Depreciation, Impairment and Amortisation Expenses	0.86	6.85
	-Fair Valuation of Investment	(0.12)	0.13
	-(Profit)/Loss on sale/discard of Property Plant and Equipment(net)	(86.97)	(19.04)
	-Finance Cost	13.09	24.59
	Operating Profit Before Working Capital Changes	(44.49)	(90.35)
	<u>Adjustments for:</u>		
	-(Decrease)/ Increase in Trade Payables & Other Current Liabilities	(890.31)	78.92
	-(Decrease)/ Increase in Non Current Provisions	(6.03)	(3.01)
	-Decrease/ (Increase) Trade Receivables	1.31	33.52
	-Decrease/ (Increase) Other Current Asset	432.83	13.94
	-Decrease/ (Increase) Inventories	6.04	(27.35)
	Cash Generated from Operations :	(500.65)	5.67
	Income Tax Paid (including Tax deducted at source)	0.92	0.14
	Net Cash generated from Operating Activities	(501.57)	5.53
(B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipments, Intangible and Capital Work in Progress	-	(0.25)
	Sale of Property, Plant and Equipments, Intangible, Assets held for and Capital Work in Progress	104.57	21.04
	Payment to Creditors for Property, Plant & Equipment	(11.90)	-
	Change in Receivable for Sale of Property, Plant & Equipment	(261.69)	-
	Advance received/ (Adjusted) for sale of Property, Plant & Equipment	-	(19.13)
	Net Cash generated/ (used) in Investing Activities	(169.03)	1.66
(C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Non Current Borrowings (Net)	6.78	4.58
	Finance cost paid	(13.09)	(10.48)
	Tax Paid on dividend	-	-
	Net Cash generated/(used) in Financing Activities	(6.31)	(5.90)
	Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	(676.91)	1.29
	Opening Cash and Cash Equivalents	706.42	7.39
	Closing Cash and Cash Equivalents	29.52	8.68



Subir Chatterjee

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Notes:-

1. The Audited Financial Results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 12th November, 2021.
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. No provision has been made for taxation owing to brought forward losses.
5. 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.
6. Trade receivable includes Overdue Export proceeds amounting to Rs. 61.23 Lacs from 2 (two) customers for which company has engaged recovery agents as empanelled with ECGC. Management is hopeful that the same will be realised in near future and accordingly no provision for loss, if any, on ultimate realisation has been considered in the books of accounts.
7. Some of the balances of Trade Receivables, Security Deposits, Loans and Advances, Trade payable are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any.
8. Account confirmations for borrowing from ICICI Bank could not be obtained, accordingly balance with them is subject to consequential reconciliation/adjustment arising there from, if any.



Subir Chandra

9. Discontinuing operation

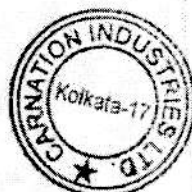
The Company was facing severe financial crisis since last two years. However, due to pandemic the situation became aggravated and acute coupled with the fact that creditors were not being paid and the company was under huge pressure from the vendors and others for release of payment falling which threats 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 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

SL. No.	Particulars	Quarter -Ended			Half Year Ended		Year Ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Total Income	(29.57)	311.57	319.78	281.80	390.88	1809.52
2.	Total Expenses	333.43	4.52	354.67	337.95	407.28	2,397.49
3.	Profit/(Loss) before exceptional items and tax (1-2)	(363.00)	306.85	(34.89)	(56.15)	(16.40)	(587.97)
4.	Exceptional Items	-	-	-	-	-	-
5.	Profit/(Loss) before tax (3-4)	(363.00)	306.85	(34.89)	(56.15)	(16.40)	(587.97)
6.	Tax Expense	4.75	6.75	0.11	11.32	0.74	(18.94)
7.	Net Profit after tax (5-6)	(367.57)	300.10	(35.00)	(67.47)	(17.14)	(569.03)



Subir Chakraborty

10. 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 under one time settlement scheme. However, dues of revenue authorities, creditors employees and other payables could not be fully paid or settled and the company continues to face regular hardship in managing them. However, the Board of Director's have evolved and put out survival strategy which inter-alia includes the following measures:

- I. Diversifying into trading of the products.
- II. Exploring sales to the same set of customers with which it used to deal and also exploring new markets and customers on the strength of its brand value.
- III. Continuing with the engagement of Collection agency to recover foreign debtors and also Initiation of Legal Cases against debtors.
- IV. Efforts to negotiate with creditors in order to arrive at mutually agreed settlement and payment to them in accordance with the terms finalised in order to avoid litigation and also to identify manufacturers of the products from whom goods would be sourced. The management of the Company has successfully negotiated and settled the dues of majority of unsecured creditors at a discounted value with mutual consent.
- V. Continue to Increase efforts to ensure early realisation of amount i.e. refundable taxes or duties lying with different Revenue Authorities. Company has during the 2nd quarter received the refund of Rs. 99.08 Lacs from West Bengal VAT Authorities.
- VI. With the bulk of old liability being settled the financial ratio of the company would improve and thereby the company would be in a position to seek financial resources to meet the Working Capital arrangements to resume Trading operation and Sales.
- VII. To reduce the overall staff strength and keep only the essential team for the time being and review managerial remunerations.
- VIII. Sale of non-Core assets:- The Board of Directors has during the quarter under review were able to sale one office premises at 222, A.J.C Bose Road Kolkata- 700017 having a carrying value of Rs. 8.28 Lacs.

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.

11. **Impact of the COVID-19 pandemic;** As informed earlier, due to pandemic the entire business cycle has gone hay wire and has led to closure and discontinuation of manufacturing facility resulting into sale of assets of the company for its survival. The complete US and European markets are severely affected by COVID-19 and many activities have been reduced/ discontinued due to Lockdown/ shut-down condition. The chances of restarting / re-opening is expected once the creditors' issues are all resolved.

12. **Estimation of the future impact of CoVID-19 on its operations;** The management of the company foresee that as vaccination of Covid is in place things would improve but it is still a long way before every one is vaccinated. The business environment is difficult in India as the



Subir Chakraborty

Lockdown measures continue and local trains & other transport are not available to workers. The market overseas are affected by COVID and buyers are all very conservative in their operation and orders.

13. One of the 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 which is being defended by the Company and parallel efforts are also being made by the Company for out of the Court settlement.
14. 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 2nd quarter viz.,30th September, 2021, even though the company continues to defend the demand raised against it. Consequentially, Contingent liability in respect of demand for F.Y. 2007-08 stands reduced to Rs. 22.93 Lacs.

Further more, as per opinion of the -legal consultant of the Company the Board has also decided not to file any appeal against the order of assessment issued by sales tax officer under West Bengal Value added Tax Act, 2003 for F.Y. 2016-17 and thereby -reducing the company's claim of refundable VAT amount by Rs. 45.08 Lacs.

15. Company has received demands during the year from GST Department in respect of Excess refund issued by them pertaining to financial year 2017-18. The Company is liable to pay the excess refund received by payment of the same through Cash Ledger amounting to Rs.25.00 Lacs and simultaneously claim credit thereof in electronic credit ledger along with Rs. 25.00 Lacs which company had earlier paid through Credit Ledger balance. However, in view of continuous cash crunch and discontinuation of manufacturing activities of the company the management has decided not to fork out cash and avail Input tax credit.

Place: Kolkata
Date: 12.11.2021



By Order of the Board

Subir Chatterjee
(Subir Chatterjee)
(Independent Director)

