

# CARNATION INDUSTRIES LIMITED

9/C KUMAR PARA ROAD 2<sup>ND</sup> FLOOR, LILUAH HOWRAH-711204

CIN: L27209EB1983PLC035920

September 08, 2025

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

To  
**The Calcutta Stock Exchange Ltd,**  
7, Lyons Range  
Kolkata - 700 001  
Scrip Code: 13067

**Sub: 40th Annual Report of the Company for the Financial Year 2024-25**

Dear Sir/Ma'am,

Pursuant to Regulation 34 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the copy of 40th Annual Report of the Company for the Financial Year 2024-25.

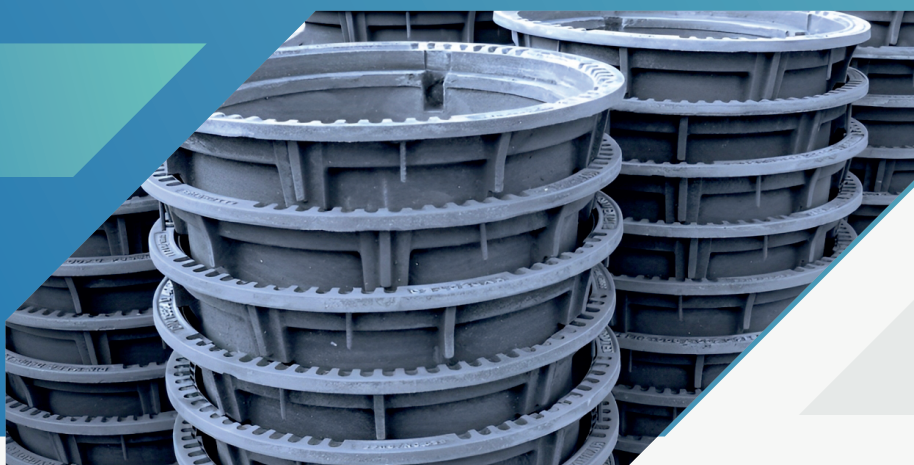
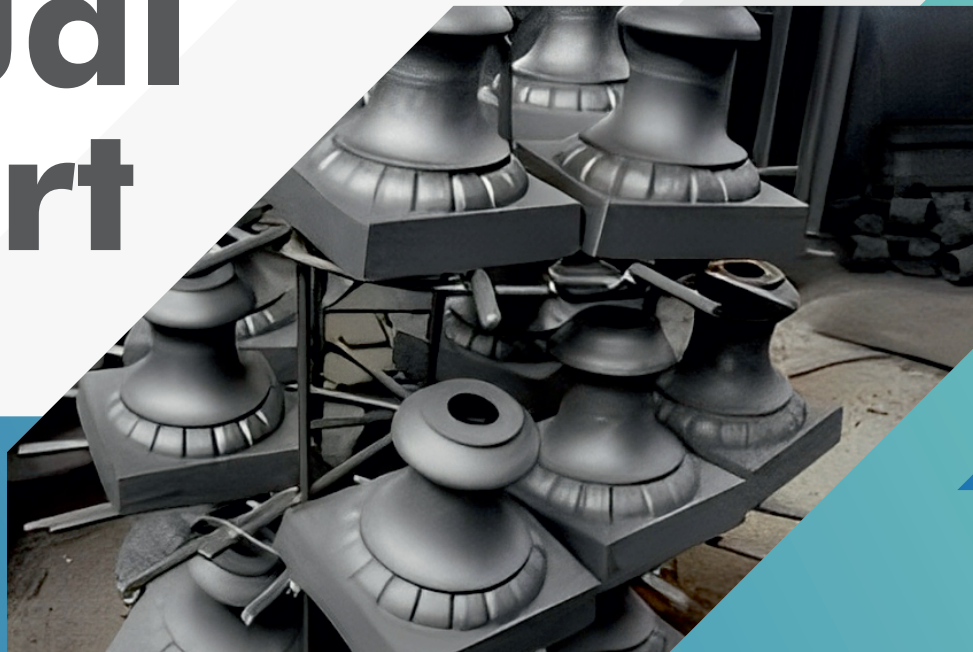
The above information is also available on the company's website at:  
<https://www.carnation.org.in/annual-report/#>

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

For **Carnation Industries Limited**

**Bhawna Gupta**  
Director  
DIN: 10101543

# Annual Report



# 2024-25

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BOARD OF DIRECTORS		
S. NO.	NAME OF THE DIRECTOR	CATEGORY
1.	Ms. Bhawna Gupta	Executive Director
2.	Ms. Mansi Gupta	Non-Executive Independent Director
3.	Ms. Poonam Dhingra	Non-Executive Independent Director
4.	Ms. Sony Kumari	Non-Executive Independent Director

CORPORATE INFORMATION	
<b>Registered Office:</b> 9/C Kumar Para Road 2nd Floor, Liluah, Howrah, West Bengal, India, 711204 <b>Corporate Office:</b> G-2 34/1 Vikas House, East Punjabi Bagh, Punjabi Bagh Sec - III, New Delhi - 110026 <b>CIN:</b> L27209WB1983PLC035920 <b>Website:</b> www.Carnation.org.in <b>Email id:</b> Carnationindustriesslimited@gmail.com, <b>Ph:</b> 9355505462	
RTA	STATUTORY AUDITORS
<b>R &amp; D Infotech Private Limited</b> 15C, Naresh Mitra Sarani, Kolkata - 700026 E-mail id: rdinfo.investors@gmail.com	<b>Jain Saraogi &amp; Co LLP</b> 1 Crooked Lane , 1 <sup>st</sup> Floor, Kolkata (WB) 700069 E-mail.id: info@jainsaraogi.com
SECRETARIAL AUDITOR	INTERNAL AUDITOR
<b>M/s Avinash K &amp; Co.</b> Company Secretaries Office No-403, B-31, Krishna Complex, Laxmi Nagar, New Delhi-110092 E-mail id: Avinash29aug@gmail.com	<b>Jha Gunjan &amp; Associates, Chartered Accountants</b> S-191, Fourth Floor, Gali No. 4, School Block, Shakarpur, Delhi 110092 Email Id: jhagunjanassociates@gmail.com
CHIEF FINANCIAL OFFICER	COMPANY SECRETARY & COMPLIANCE OFFICER
<b>Mr. Bhartendu Pratihasta</b>	<b>Mrs. Parul Rai</b>
STOCK EXCHANGE	
<b>BSE LIMITED (SCRIP CODE: 530609)            &amp; CALCUTTA STOCK EXCHANGE LIMITED</b>	

COMPOSITION OF COMMITTEE
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AUDIT COMMITTEE			
S. NO.	NAME OF THE MEMBER	DESIGNATION	CATEGORY
1.	Mansi Gupta	Chairperson	Non- Executive Independent Director
2.	Poonam Dhingra	Member	Non- Executive Independent Director
3.	Bhawna Gupta	Member	Executive Director

NOMINATION AND REMUNERATION COMMITTEE			
S. NO.	NAME OF THE MEMBER	DESIGNATION	CATEGORY
1.	Poonam Dhingra	Chairperson	Non- Executive Independent Director
2.	Mansi Gupta	Member	Non- Executive Independent Director
3.	Sony Kumari	Member	Non- Executive Independent Director

STAKEHOLDERS CUM SHARE TRANSFER COMMITTEE			
S. NO.	NAME OF THE MEMBER	DESIGNATION	CATEGORY
1.	Poonam Dhingra	Chairperson	Non- Executive Independent Director
2.	Mansi Gupta	Member	Non- Executive Independent Director
3.	Bhawna Gupta	Member	Executive Director

## **NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 40<sup>th</sup> ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF CARNATION INDUSTRIES LIMITED WILL BE HELD ON TUESDAY, 30TH DAY OF SEPTEMBER, 2025 AT 12:30 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO- VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:**

**ORDINARY BUSINESS:**

**ITEM NO. 1**

**TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025 AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON.**

To consider and 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, 2025 and the reports of the Board of Directors and Auditors thereon as circulated to the Members, be and are hereby considered and adopted."

**ITEM NO. 2**

**TO APPOINT A DIRECTOR IN PLACE OF MS. BHAWNA GUPTA (DIN: 10101543), DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HERSELF FOR REAPPOINTMENT**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 (6) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time ("Act"), Ms. Bhawna Gupta (DIN: 10101543) Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

**SPECIAL BUSINESSES:**

**ITEM NO.3**

**APPOINTMENT OF M/S AVINASH K & CO., PRACTICING COMPANY SECRETARIES AS SECRETARIAL AUDITOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as an **Ordinary resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with applicable provisions of the Companies Act, 2013, each as amended and based on the recommendation(s) of the Audit Committee and the Board of Directors of the Company ('Board'), M/s AVINASH K & CO., Company Secretaries, a peer reviewed Practicing Company Secretaries firms, Membership No. F12480 and COP No. 18318 be and are hereby appointed as the Secretarial Auditors of the Company for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the year 2030, to conduct Secretarial Audit of the Company in terms of Section 204 and other applicable provision of the Companies Act, 2013 read with Regulation 24A and other applicable provisions of the SEBI Listing Regulations, for the period beginning from the Financial Year 2025-26 to Financial Year 2029-30, at such remuneration as may be mutually agreed upon between the Board, based on the recommendation(s) of the Audit Committee, and the Secretarial Auditors of the Company.

**RESOLVED FURTHER THAT** the Board and/or any person authorised by the Board, be and is hereby authorised, severally, to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things, as may be considered necessary, desirable and expedient to give effect to this Resolution and/ or otherwise considered by them to be in the best interest of the Company."

**ITEM NO.4**

**APPROVAL TO ADOPT NEW SET OF MEMORANDUM OF ASSOCIATION OF THE COMPANY**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**: -

**"RESOLVED THAT** pursuant to the provisions of Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules and regulations made thereunder (including the Companies (Incorporation) Rules, 2014, as amended) (collectively referred to as the "Companies Act"), and other applicable laws, if any, the set of existing memorandum of association of the Company, as placed before the members of the Company be and is hereby substituted with the amended set of memorandum of association in conformity with the Companies Act, 2013, placed before the members of the Company and the same be approved and be adopted as memorandum of association of the Company, in total exclusion and substitution of the existing memorandum of association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized severally to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any committee of directors or the Managing Director or any director(s) or any other Key Managerial Personnel or any other officer(s) of the Company."

#### **ITEM NO.5**

##### **TO APPROVE AMENDMENT OF THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**: -

**"RESOLVED THAT** pursuant to Section 4, 13, 15 and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof, and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any Committee), consent of the members be and is hereby accorded to amend Clause III (the Object Clause) of the Memorandum of Association of the Company in the following manner:

a) The following new clauses 4, 5 and 6 shall be added after existing sub-clause 3 in main objects of Clause III(A) of Memorandum of Association of the Company:

4) To carry on the business of manufacturing, brewing, fermenting, distilling, refining, blending, compounding, rectifying, bottling, packaging, trading, importing, exporting, distributing and dealing in all kinds of alcoholic and non-alcoholic beverages including wines, beer, whisky, gin, rum, brandy, vodka, liqueurs, country liquor, Indian Made Foreign Liquor (IMFL), spirits, and other fermented, distilled or brewed products, as well as aerated waters, mineral water, soda, tonic water, carbonated and non-carbonated drinks, fruit juices, energy drinks, health drinks and beverages of all kinds.

5) To establish, set up, operate, acquire, lease, manage or otherwise deal in breweries, distilleries, wineries, blending units, fermentation units, bottling and packaging plants, filtration and purification units, cold storage units, bonded and non-bonded warehouses, logistics hubs, and all kinds of infrastructure, machinery, equipment and facilities required for the production, processing, storage, transport, marketing and sale of the aforesaid products; and to procure, cultivate, grow, process, import or deal in raw materials including but not limited to grapes, grains, cereals, fruits, herbs, spices, molasses and other natural or artificial substances used in the production of beverages, either independently or in collaboration with individuals, firms, companies, institutions or government bodies in India or abroad; and to acquire, hold, lease or dispose of land, vineyards, plantations, buildings, technology, licenses, or any other assets for these purposes and enter into any arrangements, partnerships, collaborations, joint ventures or agreements as necessary.

6) To undertake all allied, incidental and ancillary activities relating to the above businesses including but not limited to obtaining and holding licenses, permits and approvals from regulatory authorities; brand creation and development; marketing, advertising and promotional activities across digital, print, electronic and other media; franchising, distribution, wholesale, retail, e-commerce, logistics and supply chain operations; operating bars, tasting rooms, exclusive retail outlets, wine cellars, restaurants, lounges and hospitality spaces; organising or participating in trade fairs, events, exhibitions, educational programs, training workshops, wine tourism, and cultural or experiential initiatives related to the beverage industry; and to engage in any lawful activity in India or abroad that directly or indirectly promotes or supports the development, innovation, market reach or commercial success of the alcoholic and non-alcoholic beverage industry.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized severally to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any committee of directors or the Managing Director or any director(s) or any other Key Managerial Personnel or any other officer(s) of the Company."

#### **ITEM NO.6**

##### **APPROVAL FOR BORROWING UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013**

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

**"RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or anybody corporate/ entity/entities and/or authority/ authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be

deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs. 250 crores (Rupees Two Hundred Fifty Crores only) for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such **acts**, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

#### **ITEM NO.7**

#### **APPROVAL FOR SECURING THE BORROWINGS OF THE COMPANY UNDER SECTION 180(1)(a) OF THE COMPANIES, ACT, 2013**

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

**"RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs. 250 crores (Rupees Two Hundred Fifty Crores only) for the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

#### **ITEM NO.8**

#### **APPROVAL FOR GIVING LOAN AND GUARANTEE OR PROVIDING SECURITY IN CONNECTION WITH LOAN AVAILABLE BY ANY SPECIFIED PERSON UNDER SECTION 185 OF THE COMPANIES, ACT, 2013**

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

**"RESOLVED THAT** pursuant to the provisions of Section 185 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, and in supersession of all the earlier resolutions passed in this regard if any, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan including any loan represented by a book debt, business advance, advance for securing supplies of services / goods on a future date or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or any other person in whom any of the Directors of the Company Interested / deemed to be interested, up to limits approved by the shareholders of the Company u/s 186 of the Companies Act, 2013, from time to time in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

**RESOLVED FURTHER THAT** any of the Directors and/or Company Secretary be and are hereby severally authorized to file pay returns/ forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

#### **ITEM NO.9**

#### **APPROVAL TO INCREASE LIMITS TO MAKE LOAN AND INVESTMENT EXCEEDING THE CEILING PRESCRIBED UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

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

**"RESOLVED THAT** pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory

modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to increase the existing limit to Rs. 250 Crore (Rupees Two Hundred Fifty Crore only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, to aforesaid increased limits of Rs. 250 Crores.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

**ITEM NO.10**

**APPROVAL FOR RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013**

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Company's policy on Related Party Transactions, approval of the Members be and is hereby accorded to the Board of Directors of the Company ('Board') to enter into contract(s)/ arrangement(s)/ transaction(s) with a related party(s) within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Listing Regulations, for purchase and sale of goods and material for the production of the Company, as the Board may deem fit, up to a maximum aggregate value of Rs. 125 crores (Rupees One Hundred Twenty-Five Crore) at arm's length basis and in the ordinary course of business, for the Financial Year 2025-26.

**RESOLVED FURTHER THAT** documents, file applications and make representations in respect thereof the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** any of the Directors and/or Company Secretary be and are hereby severally authorized to file pay returns/ forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary. proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

**BY THE ORDER OF BOARD  
FOR CARNATION INDUSTRIES LIMITED**

**BHAWNA GUPTA  
DIRECTOR  
DIN: 10101543**

**Date: 05.09.2025  
Place: Delhi**

## **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 40<sup>th</sup> 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 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 Secretarial 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 AGM has been uploaded on the website of the Company at [Carnation Industries Limited](http://CarnationIndustriesLimited.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
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.
8. The Company has appointed M/S AVINASH K & CO., a Practicing Company Secretary, as Scrutinizer to scrutinize the remote e-voting process at the Annual General Meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

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

The remote e-voting period begins on **Saturday, September 27, 2025 at 09: 00 A.M. and ends on Monday, September 29, 2025 at 05:00 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. **September 23, 2025**, 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 September 23, 2025**.





### **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.	<ol style="list-style-type: none"> <li>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> 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 <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div>  <b>App Store</b>  <b>Google Play</b> </div> <div>   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>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 &amp; 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.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
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 <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - 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.
  - How to retrieve your 'initial password'?
    - 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'.
    - 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:
- 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](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - 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?**

- 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.
- 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".
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 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 by e-mail to [avinash29aug@gmail.com](mailto:avinash29aug@gmail.com) with a copy marked to [evoting@nsdl.com](mailto: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](http://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](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request at [evoting@nsdl.com](mailto: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) by email to [Carnationindustrieslimited@gmail.com](mailto:Carnationindustrieslimited@gmail.com).
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) to [Carnationindustrieslimited@gmail.com](mailto:Carnationindustrieslimited@gmail.com). 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](mailto: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 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 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 at [Carnationindustrieslimited@gmail.com](mailto:Carnationindustrieslimited@gmail.com). The same will be replied by the company suitably.
6. Registration of Speaker related point needs to be added by company.

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

##### **ITEM NO. 3:**

In terms of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and other applicable provisions of the Companies Act, 2013, each as amended, the Company is required to appoint Secretarial Auditors for a period of 5 years commencing FY2025-26, to conduct the Secretarial Audit of the Company in terms of Section 204 and other applicable provisions of the Companies Act, 2013 read with Regulation 24A and other applicable provisions of the SEBI Listing Regulations read with applicable SEBI Circulars.

The appointment of Secretarial Auditor(s) shall be approved by the Shareholders at Annual General Meeting of the Company. The tenure of the Secretarial Auditor in case of an individual Company Secretary in Practice should be for a maximum of one (1) term of five (5) consecutive years; or, in case of a Firm of Company Secretaries in Practice, for a maximum of two (2) terms of five (5) consecutive years. However, any prior association of the individual or the firm as the Secretarial Auditor of the Company before March 31, 2025, shall not be considered for the purpose of calculating the term of five years or ten years, as the case may be.

For identification of Secretarial Auditor, the Management had initiated the process and had detailed interactions with certain eligible audit firms and assessed them against a defined eligibility and evaluation criteria. The following criteria inter alia were considered for evaluation of Practicing Company Secretary firms capable of conducting audit of Carnation Industries Limited:

- a. background of the firm, their experience and past associations in handling secretarial audit of listed companies.
- b. competence of the leadership and the audit team in conducting secretarial audit of listed companies; and
- c. ability of the firm to understand the business of the Company and identify compliance of major laws and regulations applicable to the Company.

M/s AVINASH K & CO. was appointed as the Secretarial Auditor of the Company for a term of 5 years commencing from financial year 2024-25 till 2029-30 at the Board meeting held on May 29, 2025, for a remuneration, along with applicable taxes and reimbursement of out-of-pocket expenses, as mutually agreed between the Company and the said Auditors, subject to approval of members in ensuing AGM.

M/s AVINASH K & CO., Company Secretaries, a peer reviewed Practicing Company Secretaries firms, (Membership No. F12480 and COP No. 18318), Practicing Company Secretaries with strong credentials in the fields of SEBI regulations, corporate governance and legal compliance. They hold a valid Peer Review Certificate issued by the Institute of Company Secretaries of India (ICSI) and has a track record of delivering reliable and compliance-oriented Secretarial Audit services to the listed companies across sectors. Their professional approach and subject matter expertise makes them well-suited for the role of Secretarial Auditor of the Company. M/s AVINASH K & CO have given their consent to act as the Secretarial Auditor of the Company for a term of five (5) consecutive Financial Years (FY) commencing from FY 2025-26 to FY 2029-30 and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 204 of the Companies Act, 2013 ("the Act") and the Listing Regulations and have certified that they have not incurred any of the disqualifications as specified by the Board.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends the resolution set forth in item no. 3 for the approval of members.

##### **ITEM NO. 4**

The existing Memorandum of Association (MOA) of the Company, presently in force, is based on the erstwhile Companies Act, 1956. According to the Companies Act, 2013, the Companies are required to have only "the objects to be pursued by the Company and matters which are necessary for furtherance of the objects specified." Further in terms of provisions of the Companies Act, 2013, MOA shall not consist of "other objects clause". Therefore, it is considered expedient to replace the existing MOA to incorporate the aforesaid object clause per the Companies Act 2013.

The new set of MOA to be substituted in place of the existing MOA are in the format prescribed under "Table A" of the Act which sets out the model MOA for a Company limited by shares.

The Board at its meeting held on September 05th 2025, has approved alteration of the MOA of the Company and the Board now seeks Members' approval for the same. Pursuant to Section 13 of the Act, the consent of the Members by way of Special Resolution is required for alteration of MOA of the Company.

The Board of Directors of the Company recommends the special resolution at Item No. 4 of the Notice, in relation to adoption of new set of MOA pursuant to the Act, for approval of the members.

A copy of the proposed MOA of the Company would be available for inspection of the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturday till the date of the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

#### ITEM NO.5

The Company proposes to diversify its operations and venture into the business of manufacturing, processing, bottling, trading, importing, exporting, and dealing in all kinds of alcoholic and non-alcoholic beverages, including wines, beer, whisky, gin, rum, brandy, vodka, liqueurs, country liquor, Indian Made Foreign Liquor (IMFL), and other spirits, as well as aerated waters, mineral water, soda, juices, energy drinks, and similar products.

The management of the Company sees significant growth opportunities in the Indian alcoholic beverage industry, which is currently among the fastest-growing markets globally. With increasing urbanisation, rising disposable incomes, and changing consumer preferences, the Indian market is witnessing a clear shift from volume-driven consumption to value-driven and experience-led drinking habits. Consumers, especially millennials and Gen Z, are showing a strong preference for premium, craft, and boutique alcoholic products that reflect quality, uniqueness, and modern lifestyle aspirations. Moreover, while wine consumption in India remains low in per capita terms, it is growing rapidly—driven by greater awareness, international exposure, and evolving health-conscious lifestyles. Similarly, the beer and craft spirits segments are expanding quickly, particularly in Tier-I and Tier-II cities, propelled by a young, experimental consumer base. The ongoing trend of premiumisation is also being embraced by seasoned and veteran consumers who seek finer taste profiles and more refined experiences. This shift in consumer behaviour is generating strong demand for high-quality, well-crafted alcoholic beverages across all major price segments. Furthermore, several Indian states have initiated regulatory reforms and liberalised policies to support the domestic production of wine and liquor, thereby creating new opportunities in areas such as manufacturing, hospitality, wine tourism, and other allied services.

In view of the above, the Company believes that entering the alcoholic and premium beverage segment—along with related activities such as brand development, licensing, marketing, e-commerce, retail, hospitality, and experiential offerings—will not only enhance its business portfolio but also position it for long-term growth and value creation. The proposed venture aligns with emerging market trends and supports the Company's broader strategic vision of participating in high-growth, lifestyle-driven sectors in India and internationally.

Pursuant to foresaid diversification, the Board of Directors of your Company has approved and recommended amendment to the object clause of the MOA by addition of new clauses 4, 5 and 6 after existing sub-clause 3 in main objects of Clause III(A) of Memorandum of Association of the Company.

The proposed alteration/amendment to MOA requires the approval of the Shareholders by means of Special Resolution(s) pursuant to the provisions of the Companies Act, 2013 and relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and accordingly, Board recommends the resolution set out at Item No. 5 of this notice for the approval of the members by means of passing Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice, except to the extent of their shareholding, if any.

#### ITEM NO.6 &7

To support Company's business operations, the company requires funds and these funds are generally raised from various Banks and/or Financial Institutions and/or any other lending institutions and/or foreign lender and/or any other body corporate/entity/entities and/or authority/authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from of official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs.250 crores (Rupees Two Hundred Fifty Crores only).

In term of section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company obtained by means of passing a special resolution in a general meeting.

Further, to secure the borrowing made by the Company, the company is generally asked to create charge on certain assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 empowers the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

Hence, it proposed to seek necessary members approval to borrow money from any bank, financial institutions, bodies corporate or business associates or through permitted channel in excess of paid up capital and free reserves of the company by a sum not exceeding Rs.250 crores and creation of security through mortgage or pledge or hypothecation or otherwise or through combination for securing the limits as may be sanctioned by the lenders, for the loans to be sanctioned by any one or more company's bankers and /or by any one or more persons, firms, bodies corporate, or financial institutions or banks, the Company would be required to secure all or any of the Current assets, moveable properties of the Company present and future.

The management is contemplating new and expansive business plans and thus we are seeking members approval for smooth and efficient implementation of Company's proposed business plans. The resolution as set out at items No. 6 and 7 of the notice is placed for your approval of the aforesaid limits of borrowing by the board up to an amount not exceeding Rs. 250 crores.

#### ITEM NO.8

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, business advance, advance for securing supplies of services / goods on a future date to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. However, in order to promote ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018 In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement. The management is of the view that the Company may be required to invest funds in joint ventures, strategic alliance and other entities in the normal course of its business, make business advances or otherwise, give guarantee or provide any security in connection with any loans / debentures / bonds etc. raised by its associate or wholly owned subsidiary or to any other body corporate(s) in which the Directors of the Company may be interested, as and when required. Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt, to its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans / debentures / bonds etc raised by its subsidiary companies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested up to an aggregate amount of 250 crores (Two Hundred Fifty Crore) as approved by the shareholder of the Company under Section 186 of the Company Act, 2013 over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more.

The Board recommends the resolution set forth in Item No. 8 for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out in the Notice, except to the extent of their shareholding, if any.

#### ITEM NO. 9

Pursuant to the provisions of Section 186(2) of the Companies Act, 2013 ('Act'), the Company shall not directly or indirectly:-

- (a) give any loan to any person or other body corporate;
- (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and
- (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is higher.

Pursuant to the provisions of Section 186 (3) of the 'Act', where the giving of any loan or guarantee or providing any security or the acquisition of securities exceeds the limits specified in Section 186 (2) of the 'Act', prior approval by means of a Special Resolution passed at a General Meeting is necessary. In terms of Rule No.11 (1) of the Companies (Meeting of Board and its Powers) Rules ('Rules'), where a loan or guarantee is given or security has been provided by a company to its wholly-owned subsidiary or a joint venture, or acquisition is made by a holding company, by way of subscription of securities of its wholly-owned subsidiary, the requirement of Section 186 (3) of the 'Act' shall not apply, however it will be included for the purpose of overall limit. In line with the long-term objectives of the Company and for expanding its business further, the Company may be required to give loans or guarantees or make investments in excess of the limits specified in Section 186 (2) of the 'Act'.

And accordingly, it is proposed to seek prior approval of Members vide an enabling Resolution to increase the existing limit to Rs. 250 Crore (Rupees Two Hundred Fifty Crore) over and above the limit of 60% of the paid-up share capital, free reserves, and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more as specified in Section 186 (2) of the 'Act' at any point of time.

The resolution is accordingly recommended for approval of the Members by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice, except to the extent of their shareholding, if any.

#### ITEM NO 10

To ensure continuous business operation without any interruption, approval of the shareholders is being sought, to enter into related party transaction(s) with related party(s) as defined under within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Listing Regulations, to purchase and sale of goods and material for an amount of Rs. 125 crore (Rupees One Hundred Twenty Five Crore) during Financial Year 2025-26.

Background and Details of the Transaction:

Cost effective and assured supply of goods/services, of desired quality, is a key requirement for the Company. The Company intends to procure material from related party(ies) to have consistent control over quality of the supplies. This transaction will not only help the Company to ensure wholesale and retail trading of business operations smoothly but also ensure consistent flow of desired quality and quantity of goods available for uninterrupted operations and business activities.

Approval being sought for Financial Year 2025-26 as per the requirements of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), all material related party transactions shall require the approval of Members through a Resolution. Further, the explanation to Regulation 23(1) of the SEBI Listing Regulations states that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. The estimated value of transaction with related party(s) for Financial Year 2025-26 will be Rs. 125 Crore, which would breach the materiality threshold of 10% of the annual turnover of the Company as per last audited financial statements of FY 2024-25. Hence, to ensure uninterrupted operations of the Company, it is proposed to secure shareholders' approval for the related party contracts/ arrangements to be entered into with related party(s) during Financial Year 2025-26, as mentioned in item No. 10 of the Notice. For necessary information as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, members are requested to please refer AOC-2 and Notes of Audited Annual Accounts of the Company for the financial year ended March 31, 2025.

Detail(s) about Arm's Length Pricing/ Ordinary Course of Business

The related party contract/transaction mentioned in this proposal meets the arm's length testing criteria and also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members. The Board recommends the Special Resolution set forth at Item No. 10 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice, except to the extent of their shareholding, if any.

**BY THE ORDER OF BOARD  
FOR CARNATION INDUSTRIES LIMITED**

**BHAWNA GUPTA  
DIRECTOR  
DIN: 10101543**

**Date: 05.09.2025**

**Place: Delhi**

**Note:** The Company was unable to convene its Annual General Meetings (AGMs) for the financial years 2022–2023 and 2023–2024 due to the pendency of proceedings under the Corporate Insolvency Resolution Process (CIRP), in accordance with applicable provisions of the Insolvency and Bankruptcy Code, 2016. The last AGM held by the Company was for the financial year 2021–2022, which was duly convened as the 39th Annual General Meeting. In continuity, and to maintain the sequential numbering of general meetings, the forthcoming AGM for the financial year 2024–2025 is proposed to be convened as the 40th Annual General Meeting of the Company.

### **DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT**

**[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard-2 on General Meeting]**

Particulars	Details
Name of Director	Ms. Bhawna Gupta
DIN	10101543
Date of birth and Age	02/04/1975 (50 years)
Nationality	Indian
Date of first appointment on the Board	June 05, 2024
Qualification	Graduate
Experience and Expertise	Ms. Bhawana Gupta is a graduate (B.A.) having an adequate experience in handling business, management, strategic & development planning, finance, operations and other related matters. She has successfully handled various corporate assignments during recent past.
Directorship held in other Companies (excluding foreign Companies, Private Companies and Section 8 Companies)	Nil
Chairmanship/ Membership of Committees in other Companies (only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered)	Nil
Relationship with other directors, manager and other key managerial personnel of the Company	Not related to any existing / New Director
No. of shares held	NIL
Number of meetings attended during the year	4
Terms & conditions of appointment/ re-appointment	As approved by the members
Remuneration sought to be paid and remuneration last drawn	As approved by the members

## **DIRECTOR'S REPORT**

To,

Dear Members,

Your directors have pleasure in presenting the (40<sup>th</sup>) **Annual Report** of your Company **Carnation Industries Limited** with the Audited Financial Statements along with Auditor's Report for the year ended **31<sup>st</sup> March, 2025**.

### **1. FINANCIAL PERFORMANCE**

(In Lakhs)

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Revenue from Operations	-	-
Other Income	233.84	-
<b>Total Revenue</b>	<b>233.84</b>	-
Expenses for the period	84.62	47.15
Profit/(Loss) before tax from continuing operations	149.21	(47.15)
Current Income Tax for the period		
Deferred Tax	6.77	2.15
<b>Profit/(Loss) for the period</b>	<b>142.44</b>	<b>(49.30)</b>

### **2. REVIEW OF OPERATIONS AND STATEMENT OF COMPANY'S AFFAIRS:**

Carnation Industries Limited entered into the Corporate Insolvency Resolution Process (CIRP) under India's Insolvency and Bankruptcy Code (IBC) following a petition filed by an operational creditor, Lal Behari Singh, under Section 9. The National Company Law Tribunal (NCLT), Kolkata Bench, admitted the case on September 12, 2023, and imposed a moratorium while appointing Mr. Anubrata Gangoly as the Interim Resolution Professional (IRP). A public announcement was made on September 15, 2023, inviting claims from creditors, which were accepted until around September 26, 2023. After verification of claims, the Committee of Creditors (CoC) was formed, and the IRP was later confirmed as the Resolution Professional (RP) on November 18, 2023.

As the resolution process advanced, a resolution plan was submitted by Mr. Vikas Garg, the successful resolution applicant, on April 13, 2024. He received the Letter of Intent on April 25, 2024, after securing CoC approval. The NCLT approved the resolution plan on June 5, 2024. A major part of the approved plan involved equity restructuring, where all existing equity shares were cancelled. On November 14, 2024, new shares were issued, with 90% allocated to the new promoter and 10% reserved for existing public shareholders, as part of the revival strategy.

Overall, Carnation Industries' insolvency process followed the prescribed IBC framework closely—ranging from creditor admission to resolution plan execution. The timely submission, evaluation, and approval of the resolution plan highlight procedural efficiency, and the equity restructuring indicates a concrete effort to revive and relaunch the company's operations under new management. The focus now lies on successfully implementing the plan and restoring business sustainability.

The Board of Directors has carefully reviewed the financial position of the Company following the successful completion of the Corporate Insolvency Resolution Process (CIRP).

The Company has emerged from the resolution process with a restructured financial position and a clear path to profitability. Based on the current financial performance, the successful implementation of the approved resolution plan, and available liquidity, the Board is confident that the Company will continue as a going concern for the foreseeable future, including the next 12 months and beyond. The Company has taken all necessary steps to address its previous financial challenges, and there are no material uncertainties that would cast significant doubt upon its ability to continue operations. The management is committed to executing the business plan and delivering long-term value to shareholders, employees, and other stakeholders.

The management is scouting for appropriate business opportunity and once it is available the management would commence the same. The company is expected to start business during the next year. The status of the Company is going concern.

Further, with change in control of your Company, we are optimistic towards the future growth prospects and operation of the Company.

**3. DIVIDEND**

The Board of Directors of the Company has decided not to recommend any dividend for the financial year under consideration. However, In accordance with the applicable regulatory requirements, unclaimed dividend account has a balance of Rs. 1.42 Lakhs which the company is required to transfer to Investor Education and Protection Fund (IEPF), the same is under process.

**4. TRANSFER TO GENERAL RESERVES**

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

**5. CHANGES IN THE NATURE OF BUSINESS**

There has been no change in the nature of business during the financial year 2024-25. However, recently the management proposed to diversify its operations into the business of manufacturing, processing, bottling, trading, importing, exporting, and dealing in all kinds of alcoholic and non-alcoholic beverages, including but not limited to wines, beer, whisky, gin, rum, brandy, Indian Made Foreign Liquor (IMFL), and other spirits, as well as aerated waters, mineral water, soda, juices, energy drinks, and similar products .

To give effect to the proposed diversification, amendment in Object Clause of Memorandum of Association has been included in the Notice of 40TH AGM for approval of members

**6. CHANGES IN THE CORPORATE OFFICE ADDRESS**

Carnation Industries Limited changed its corporate office address from Kolkata to Delhi effective November 18, 2024; the new address is G-2, 34/1 Vikas House, East Punjabi Bagh, Delhi – 110026.

**7. MATERIAL CHANGES AND COMMITMENTS**

On April 12, 2025, Carnation Industries Limited entered into a Share Purchase Agreement (SPA) to acquire 100% equity shares of Oniv Beverages Private Limited from its existing shareholders. The total consideration for the acquisition is not to exceed ₹5.00 crores, which will be settled entirely through the issuance and allotment of new equity shares of Carnation Industries in exchange for the equity of Oniv Beverages. This strategic, all-stock transaction allows Carnation to diversify into the fast-growing alcoholic and non-alcoholic beverage industry without incurring immediate cash outflow. Oniv Beverages, engaged in the manufacture and sale of wine and related products, reported a turnover of approximately ₹16.91 crores for the financial year ended March 31, 2024, showing substantial growth over the previous two years. The acquisition is subject to customary closing conditions, including regulatory and shareholder approvals, and is expected to be completed in the first half of FY 2025-26.

**8. 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 2024-25. 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.

**9. 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.

## 10. 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 39th Annual General Meeting held in 2022 till the conclusion of 42<sup>nd</sup> 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 Auditor's Report for financial year ended March 31, 2025, does not contain any qualification, reservation or adverse remarks. All Observations made in the Independent Auditors' Report and Notes forming part of the Financial Statements are self-explanatory and do not call for any further comments and also, there is no incident of fraud requiring reporting by the auditors under section 143(12) of the Companies Act, 2013 during the year under review. The Auditor's report is enclosed with the financial statements in this Auditor's Report.

### b) SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Avinash K & Co. (M. No.- F 12480, COP No.- 18318), Practicing Company Secretaries, a peer reviewed Practicing Company Secretaries firm, as Secretarial Auditor of the Company to undertake the secretarial audit of the Company for the Financial Year 2025-2026.

#### **Secretarial Audit Report**

The Secretarial Audit Report for the financial year ended 31st March, 2025 in the format prescribed (Form MR-3) as provided by M/s Avinash K & Co. 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 for the F.Y. 2024-25 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.

## 11. SHARE CAPITAL

The Authorized share capital of your Company as on March 31, 2025 is Rs. 7,00,00,000 (Rupees Seven crores only) comprising of 70,00,000 (Seventy lakh) Equity Shares of Rs.10/- (Rupees Ten Only) each.

The Paid-up Share Capital of the Company as on March 31, 2025 stands at is Rs.3,45,71,600 /- (Rupees Three Crores Firty Five Lakh Seventy-One Thousand Six Hundred Only) comprising of 34,57,160 Equity Shares of Rs.10/- each (Rupees Ten Only) each.

During the year under review, there was no change in the capital structure of the Company.

### 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 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 the Companies (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 of employees**

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.

**12. 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 at [www.Carnation.org.in](http://www.Carnation.org.in)

**13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND 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.

**14. 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.

## 15. 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)**

## 16. 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 at [www.Carnation.org.in](http://www.Carnation.org.in)

## 17. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED

During the financial year 2024-25, the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench (Court II), vide its order dated **June 5, 2024**, approved the Resolution Plan submitted by **Mr. Vikas Garg** (the "Successful Resolution Applicant") under **Section 31 of the Insolvency and Bankruptcy Code, 2016 ("IBC")**, in relation to the **Corporate Insolvency Resolution Process (CIRP) of Carnation Industries Limited**.

The approval marked a significant milestone in the company's restructuring process, following its admission into CIRP on **September 12, 2023**, under Section 9 of the IBC. Pursuant to the terms of the approved Resolution Plan, the **entire existing equity share capital** of the Company stood **cancelled in full**. As part of the capital restructuring and revival strategy, **fresh equity shares representing approximately 90%** of the total paid-up capital were **allotted to the Successful Resolution Applicant**, thereby providing him controlling interest and operational responsibility for the Company's turnaround.

In accordance with the Resolution Plan and as a measure of fairness towards retail shareholders, the remaining **10% of the reconstituted paid-up equity share capital** was **allocated to existing public shareholders on a pro-rata basis**, relative to their shareholding as of the **record date**, which was fixed as **November 14, 2024**.

This restructuring not only facilitated the transfer of management to the new promoter but also enabled the Company to exit CIRP while preserving a fraction of ownership for its original retail investors, aligning with the objectives of value maximization and stakeholder inclusivity envisioned under the IBC framework.

## 18. 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 any of the limits limit.

## 19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company was duly constituted in accordance with the provisions of the Companies Act, 2013 along with the provisions of SEBI (LODR) Regulations 2015. . As on March 31, 2025, the composition of the Board of Directors of your Company is as follows:

S.No.	Name of Director	DIN	Designation	Date of Appointment
1	BHAWNA GUPTA	10101543	Director	05-06-2024
2	POONAM DHINGRA	09524982	Independent Director	05-06-2024

3	MANSI GUPTA	09271995	Independent Director	05-06-2024
4	SONY KUMARI	09270483	Independent Director	05-06-2024
5	ANAMIKA GUPTA	-	Chief Financial Officer	18-11-2024
6	PARUL RAI	-	Company Secretary	18-11-2024

During the year under review Appointment/Resignation of Directors are as follows:

S. No.	Name of the Director	Designation	Appointment Resignation	Date
1.	Bhawna Gupta	Director	Appointment	05-06-2024
2.	Poonam Dhingra	Non-executive Independent Director	Appointment	05-06-2024
3.	Mansi Gupta	Non-executive Independent Director	Appointment	05-06-2024
4.	Sony Kumari	Non-executive Independent Director	Appointment	05-06-2024
6	Ravindra Prakash Sehgal	Managing Director	Resignation	05-06-2024
7	Subir Chatterjee	Director	Resignation	05-06-2024
8	Sephali Roy	Director	Resignation	05-06-2024
9	Arun Kumar Bose	Director	Resignation	05-06-2024

#### A. Company Secretary & Compliance Officer

1. **Mrs. Parul Rai** was appointed as the **Company Secretary and Compliance Officer** of the Company with effect from **November 18, 2024**, during the financial year under review.
2. **Mr. Sanjay Agarwal** tendered his resignation from the position of **Company Secretary and Compliance Officer**, which became effective on **May 29, 2023**.
3. **Ms. Anamika Gupta** was appointed as the **Chief Financial Officer** of the Company with effect from **November 18, 2024**.

#### B. Changes Subsequent to the Close of the Financial Year

1. Ms. Anamika Gupta has resigned from the position of Chief Financial Officer of the Company with effect from July 07, 2025.
2. The Board of Directors has appointed Mr. Bhartendu Pratihasta as the Chief Financial Officer and designated him as a Key Managerial Personnel of the Company with effect from July 07, 2025.

#### 20. DECLARATION BY THE INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Listing Regulations.

#### 21. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non - Independent Directors was carried out by the Independent Directors. The board also carried out an annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process. The Board of Directors reviewed all the laws applicable to the company, prepared by the company and taking steps to rectify instances of non-compliances. **(Annexure III)**

#### 22. NUMBER OF MEETINGS OF THE BOARD

During the year, four (04) Board Meetings were convened by the Board of Directors as on 18.11.2024, 05.12.2024 and 30.01.2025. The intervening gap between the Meetings was within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adequate Quorum was present in all the meetings as required by law.

Date of Meeting	Mrs. Bhawna Gupta	Mrs. Poonam Dhingra	Mrs. Mansi Gupta	Mrs. Sony Kumari
20.08.2024	Yes	Yes	Yes	Yes
18.11.2024	Yes	Yes	Yes	Yes
05.12.2024	Yes	Yes	Yes	Yes
30.01.2025	Yes	Yes	Yes	Yes

**Note:** The Company was undergoing a transition phase during the implementation of the approved Resolution Plan. As a result, the newly inducted management required a reasonable period of time to familiarize themselves with the operations, streamline processes, and put in place the necessary systems and controls to ensure smooth functioning of the Company in line with the objectives of the Resolution Plan.

## 23. COMMITTEES AND THEIR MEETINGS

### A. Audit Committee

The Company has an Audit Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Composition of Audit Committee as on 31.03.2025

S. NO.	NAME OF THE MEMBER	DESIGNATION	CATEGORY
1.	Mansi Gupta	Chairperson	Non- Executive Independent Director
2.	Poonam Dhingra	Member	Non- Executive Independent Director
3.	Bhawna Gupta	Member	Executive Director

The terms of reference of the Audit Committee inter alia include overseeing the financial reporting process, reviewing the financial statements and recommending the appointment of Auditors. All the recommendations made by Audit Committee were accepted.

During the year **four (04)** Audit Committee Meetings were held.

Date of Meeting	Mansi Gupta	Poonam Dhingra	Bhawna Gupta
20.08.2024	YES	YES	YES
18.11.2024	YES	YES	YES
05.12.2024	YES	YES	YES
30.01.2025	YES	YES	YES

**Note:** The Company was undergoing a transition phase during the implementation of the approved Resolution Plan. As a result, the newly inducted management required a reasonable period of time to familiarize themselves with the operations, streamline processes, and put in place the necessary systems and controls to ensure smooth functioning of the Company in line with the objectives of the Resolution Plan.

### B. Nomination and Remuneration Committee

The Company has a Nomination & Remuneration Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee's scope of work includes nominate the directors as per their qualifications, experience and positive attributes, deciding on remuneration and policy matters related to remunerations of Directors and laying guidelines for remuneration package or compensation etc.

#### Composition of Nomination and Remuneration Committee as on 31.03.2025

S. NO.	NAME OF THE MEMBER	DESIGNATION	CATEGORY
1.	Poonam Dhingra	Chairperson	Non- Executive Independent Director
2.	Mansi Gupta	Member	Non- Executive Independent Director
3.	Sony Kumari	Member	Non- Executive Independent Director

During the year **one** Nomination and Remuneration Committee Meetings were held.

Date of Meeting	Poonam Dhingra	Mansi Gupta	Sony Kumari
18.11.2024	YES	YES	YES

**Note:** The Company was undergoing a transition phase during the implementation of the approved Resolution Plan. As a result, the newly inducted management required a reasonable period of time to familiarize themselves with the operations, streamline processes, and put in place the necessary systems and controls to ensure smooth functioning of the Company in line with the objectives of the Resolution Plan.

#### **C. Stakeholders Relationship Committee**

The Company has a Stakeholder Relationship Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices /annual reports, etc.

##### **Composition of Stakeholder Relationship Committee as on 31.03.2025**

S. NO.	NAME OF THE MEMBER	DESIGNATION	CATEGORY
1.	Mrs. Poonam Dhingra	Chairperson	Non- Executive Independent Director
2.	Mrs. Mansi Gupta	Member	Non- Executive Independent Director
3.	Mrs. Bhawna Gupta	Member	Executive Director

The Company has a Stakeholder Relationship Committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices /annual reports, etc.

During the year **one** meeting of Stakeholders Relationship Committee Meetings were held.

Date of Meeting	Poonam Dhingra	Mansi Gupta	Bhawna Gupta
30.01.2025	YES	YES	YES

**Note:** The Company was undergoing a transition phase during the implementation of the approved Resolution Plan. As a result, the newly inducted management required a reasonable period of time to familiarize themselves with the operations, streamline processes, and put in place the necessary systems and controls to ensure smooth functioning of the Company in line with the objectives of the Resolution Plan.

##### **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

#### **24. DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES**

Following the closure of the financial year 2024-25, the Company entered into a Share Purchase Agreement ("SPA") on April 12, 2025, to acquire 100% equity in Oniv Beverages Private Limited from its existing shareholders. The total consideration, not exceeding INR 5.00 crores, will be settled through the issuance/allotment of the Company's equity shares in exchange for the equity shares of Oniv Beverages Private Limited.

#### **25. 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.

**26. 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.

**27. 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-IV**).

**28. CORPORATE GOVERNANCE CERTIFICATE**

In terms of Regulation 15(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions relating to Corporate Governance as specified in Para C, D and E of Schedule V of the said Regulations are not applicable to the Company, as its paid-up equity share capital does not exceed ₹10 Crores and its net worth does not exceed ₹25 Crores, as on the last day of the previous financial year. Accordingly, the Report on Corporate Governance is not annexed to this Annual Report. However, the Company affirms that in the event its paid-up equity share capital or net worth exceeds the prescribed threshold limits in future, it shall comply with the applicable provisions of Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015.

**29. HUMAN RESOURCES**

The management maintains a healthy, respectful, and collaborative relationship with its officers and employees, fostering an environment of mutual trust, professionalism, and effective communication across all levels of the organization.

**30. PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been annexed to this report.

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.

**31. EFFECT OF NCLT ORDER UNDER IBC**

Pursuant to approval of Resolution Plan by Hon'ble National Company Law Tribunal Bench Kolkata dated June 05, 2024, the management underwent change by fresh appointment of directors on the Board and Key Managerial Personnels for managing the affairs of company.

Further, new equity shares were allotted to the extent of 90 % of the paid-up equity share capital to Mr. Vikas Garg, the Successful Resolution Applicant and 10 % of the paid-up equity share capital to public shareholders on a pro-rata basis, proportionate to their existing shareholding as on the Record Date i.e. November 14, 2024.

In order to commence it's trading operations on BSE Limited, the company applied for listing of shares with BSE Limited and received the listing approval of 34,57,160 equity shares on March 26, 2025. Furtherance to this, company applied for Corporate action of 34,57,160 equity shares with both the Depositories and awaiting Credit letter for the same, for it's further submission with the Exchange for Trading approval.

We would like to brief that the trading on Exchange was suspended during the IBC process and shall continue to be suspended until receipt of afore mentioned Trading approval from the Exchange.

**32. 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

### **33. 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.

### **34. RISK MANAGEMENT POLICY**

The Board of Directors of the Company are of the view that currently no significant risk factors are present which may threaten the existence of the company. During the year, your directors have an adequate risk management infrastructure in place capable of addressing those risks. The company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Audit Committee and Board of Directors review these procedures periodically. The company's management systems, organizational structures, processes, standards, code of conduct and behavior together form a complete and effective Risk Management System (RMS).

### **35. 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. All Directors and the designated employees have confirmed compliance with the Code.

### **36. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER –SE**

None of the Directors are related to each other.

### **37. 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.

### **38. CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to members of the Board, Key Managerial Personnel, Senior Management of the Company and all employees in the course of day-to-day business operations of the company. The Code has been placed on the Company's website [www.Carnation.org.in](http://www.Carnation.org.in). The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. **(Annexure V)**

**39. ANNUAL LISTING FEES**

The Company is listed on BSE Limited (BSE) and Calcutta Stock Exchange Limited.

**40. EXECUTIVE DIRECTOR/CFO CERTIFICATE**

As required by the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate from Executive Director (Whole-time Director)/CFO had been obtained in accordance with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms a part of this report as **Annexure-VI**.

**41. 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 and Calcutta Stock Exchange Limited.

**42. SHARE TRANSFER SYSTEM**

The Stakeholders Relationship Committee has authorized the Company Secretary 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 Depositories Ltd (NSDL) and Central Depositories Services Ltd (CDSL) within 15 days.

**43. 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, 2025, 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.

**44. 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.

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

Carnation Industries Ltd was acquired through a resolution plan under IBC, approval of which was received from the NCLT on June 05, 2024.

**46. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF DURING THE FINANCIAL YEAR:**

Not applicable during the financial year.

**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.

**For and on behalf of the Board  
CARNATION INDUSTRIES LIMITED**

**Bhawna Gupta  
Director  
DIN: 10101543**

**Date: 05.09.2025**

**Place: Delhi**

**Secretarial Audit Report**  
**for the Financial Year ended March 31, 2025**  
**FORM NO. MR-3**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members,

**CARNATION INDUSTRIES LIMITED**

**Corporate Office:** G-2, 34/1, Vikas House, Vikas Path Marg,  
 East Punjabi Bagh, Delhi 110026

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Carnation Industries Limited (CIN: L27209WB1983PLC035920)** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**Auditor's responsibility**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period from April 01, 2024 to March 31, 2025 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings\*;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("the SEBI Act"):-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021\*;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\*;
  - h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*

(vi) Management of the Company has confirmed that there are no laws specifically applicable to the Company.

**\*(Not Applicable to the company during the audit period)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and notified by Central Government under Section 118(10) of the Act which are mandatorily applicable to the Company issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.  
During the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

S. No.	Relevant Provision for Compliance Requirement	Observations
	<p>"On the basis of documents and information furnished to us by the management, we would like to submit that the Company underwent a significant transition process involving changes in management, operational restructuring, and financial reorganization, pursuant to the resolution plan approved by the Hon'ble National Company Law Tribunal (NCLT) vide its order dated June 05, 2024,. During the implementation of this plan, there was a change in control and several legacy systems and processes were either overhauled or rendered inaccessible. Consequently, the Company did not have access to the historical books of accounts, records, and other statutory data maintained prior to the approval of the resolution plan.</p> <p>Due to the non-availability of such critical information and the focus on stabilizing operations post-implementation, the Company was temporarily unable to comply with its regular statutory and regulatory filing obligations. However, upon successful stabilization and re-establishment of necessary systems and compliance mechanisms, the Company resumed its statutory and regulatory filings, including quarterly compliance submissions, beginning with the quarter ended December 31, 2024."</p>	

**We further report that** the following major events happened during the period under review:

1) Since the approval of the Resolution Plan for Carnation Industries Limited under the Insolvency and Bankruptcy Code (IBC) on June 05, 2024, the company has undergone significant structural and operational changes under new management.

As part of the Resolution Plan approved by the Hon'ble National Company Law Tribunal Bench, Kolkata, on June 5, 2024, the company's existing paid-up equity share capital was cancelled. Subsequently, new equity shares were allotted, with 90% allocated to Mr. Vikas Garg, the Successful Resolution Applicant, and 10% allotted to public shareholders on a pro-rata basis, proportional to their existing shareholding as of the Record Date, November 14, 2024.

Following the filing of the listing application, the company received approval from BSE Limited to list 3,457,160 equity shares on March 26, 2025. The company has also filed the necessary corporate actions for crediting these shares to the respective shareholder accounts with the Depositories, and this process is currently underway.

Additionally, trading on the exchange was suspended during the IBC process and will remain suspended until trading approval for the aforementioned shares is received from BSE Limited.

**We further report that;**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and all necessary provisions of the Act and Rules made thereunder were duly complied in this regard.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent either giving seven days in advance or on shorter notice with requisite consent, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Also, the Company has duly filed applicable forms and returns with the Registrar of Companies / Ministry of Corporate Affairs within the prescribed time or with additional fee in cases of delayed filings. Few forms / returns (if any) which were due for filing during the financial year, the management has assured compliance with the same.

**We further report that** during the audit period, except the above-mentioned acquisition, there were no instance of:

- (i) Right/debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations

This Report is to be read with our letter of even date which is annexed as "**Annexure 1**" and forms an integral part of this report.

*for AVINASH KUMAR & Co.  
Company Secretaries.*

Date: 04.09.2025  
Place: New Delhi

AVINASH KUMAR  
M.No.: F12480| CP No. 18318  
PEER REVIEW: 3225/2023  
UDIN: F012480G001170991

**Annexure 1**

To,  
The Members,  
**CARNATION INDUSTRIES LIMITED**  
**Corporate Office:** G-2, 34/1,  
Vikas House, Vikas Path Marg,  
East Punjabi Bagh, Delhi 110026

Sub: **Secretarial Audit for the Financial Year ended March 31, 2025, of even date is to be read along with this letter**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

*for AVINASH KUMAR & Co.*

*Company Secretaries.*

**AVINASH KUMAR**

**M.No.: F12480| CP No. 18318**

**PEER REVIEW: 3225/2023**

**UDIN: F012480G001170991**

**Date:** 04.09.2025

**Place:** New Delhi

## ANNEXURE-II

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
**ECONOMY OVERVIEW**
**GLOBAL ECONOMY**

The global economy in CY 2024 demonstrated resilience and adaptability despite ongoing geopolitical shifts and structural transitions. Growth remained steady at 3.3% year-over-year (YoY) signalling cautious optimism in a dynamic environment. The United States led among advanced economies recording a robust 2.8% growth supported by strong labour markets and strong domestic demand. While the Eurozone experienced slower growth at 0.9%, it continued its structural realignment particularly in energy-intensive industries. Overall advanced economies grew by 1.8% YoY. Emerging Markets and Developing Economies (EMDEs) continued to be a key engine of global growth expanding by a healthy 4.3%. India and China stood out with impressive growth rates of 6.5% and 5.0% respectively driven by rising domestic consumption rapid digital adoption and increased infrastructure investment particularly in India and South-East Asia.

The global energy transition gained strong momentum in 2024, marked by increased investments in renewable energy infrastructure and clean technologies, reflecting a growing and widespread commitment to achieving climate goals. China's recovery is progressing steadily, supported by ongoing reforms and policy measures, even as it navigates challenges from a cooling property sector and softer external demand. While regional conflicts, climate-related disruptions and rising trade fragmentation present ongoing risks, these challenges highlight the importance of continued global cooperation and innovation to sustain recovery and build resilience for the future.

**Global Economic Growth (%)**

	Estimate		Projections	
World Output (Real OOP, Annual change)	CY23	CY24	CY25	CY26
Global Economy	3.5	3.3	2.8	3.0
Advanced Economies	1.7	1.8	1.4	1.5
United States	2.9	2.8	1.8	1.7
Euro Area	0.4	0.9	0.8	1.2
Emerging Markets and Developing Economies	4.7	4.3	3.7	3.9
Emerging and Developing Asia	6.1	5.3	4.5	4.6
China	5.4	5.0	4.0	4.0
India	9.2	6.5	6.2	6.3

Source: International Monetary Fund (IMF) April 2025 report

The global economic outlook for 2025 reflects a promising blend of emerging opportunities and manageable risks, shaped by evolving trade relationships and proactive policy measures. Inflation in advanced economies is projected to ease steadily, reaching target levels around 1.5% by 2026. Meanwhile, emerging markets and developing economies are also expected to experience a gradual easing of inflation, settling near 3.7% over the same period. The U.S. decision to impose tariffs on different countries in March 2025, along with subsequent retaliatory actions, has the potential to disrupt global trade, increase inflationary pressures and weigh on economic growth.

Advanced economies are on track to achieve their inflation goals sooner, while EMDEs, especially China and India, continue to demonstrate strong growth momentum. Although recent trade tensions and tariff measures may introduce some upward pressure on prices, ongoing technological progress and well-designed policy responses are enhancing economic resilience. Additionally, the growing emphasis on renewable energy is driving global growth by creating jobs, reducing energy costs and supporting long-term energy security.

In 2025, the global economy is expected to grow by 2.8% year-over-year, with a further improvement to 3.0% projected in 2026. Advanced economies are anticipated to achieve modest but consistent growth of 1.4% in 2025 and 1.5% in 2026, while Emerging Markets and Developing Economies are set to maintain a stronger pace, expanding by 3.7% and 3.9% respectively. Inflation is forecast to ease globally, declining to 4.3% in 2025 and further moderating to 3.6% in 2026. Despite ongoing uncertainties around trade policies and inflation, proactive fiscal interventions and global cooperation are anticipated to cushion risks. Through innovation, targeted investments, and adaptive policy shifts, the global economy remains well-positioned to sustain growth and explore new avenues of opportunity.

The global infrastructure construction market is poised for robust growth, with a compound annual growth rate (CAGR) of 6.27% projected from 2025 to 2030. Additionally, the World Trade Organisation (WTO) projects global merchandise trade to grow by 2.8% in both 2024 and 2025, followed by a slight moderation to 2.6% in 2026. These encouraging trends reflect the positive Global Economic Growth (%) effects of globalisation and supportive policy frameworks, which are accelerating the shift toward clean energy and positioning it as a vital driver of sustainable and inclusive growth worldwide.

## INDIAN ECONOMY

India continues to rank among the fastest-growing major economies globally, driven by a favourable demographic profile, resilient domestic consumption, structural economic reforms and a sustained push for digital transformation. Key growth enablers include robust GST collections, expanding infrastructure and manufacturing activity and rapid technological adoption across sectors. The government's focus on improving ease of doing business and encouraging a startup ecosystem has further strengthened economic momentum. However, in FY2025, GDP growth moderated to 6.5% year-on-year, reflecting the impact of global headwinds and domestic challenges. Contributing factors to the slowdown include softening manufacturing output, elevated food inflation, subdued urban demand, stagnant employment generation, widening trade imbalances and muted private sector investments.

Despite facing challenges, India remains on a steady growth path, driven by strong manufacturing, expanding services, increased infrastructure investment and government initiatives promoting digital transformation, financial inclusion and ease of doing business. Gross GST collections hit ₹ 1.96 lakh crore in March 2025, signalling robust economic activity, while the Index of Eight Core Industries grew by 0.5% in April 2025, with Cement, Coal, Steel, Electricity and Natural Gas recording positive gains. For FY2025, GST collections rose 9.4% year-on-year to ₹ 22.1 lakh crore. Efforts to diversify trade through new free trade agreements helped reduce external risks and rising urbanisation alongside a growing middle class boosted consumer spending. Inflation concerns, driven by global supply chain issues and volatile commodity prices, led RBI to play a proactive role in managing inflation and supporting growth.

The Reserve Bank of India's Monetary Policy Committee (MPC) enacted two consecutive repo rate cuts of 25 basis points each, lowering the rate to 6% by April 2025 and adopting a more accommodative monetary stance. In its 6th June, 2025 meeting, the MPC further eased the repo rate by 50 basis points, bringing it down to 5.50%. In a bid to boost liquidity, the RBI decided to cut the cash reserve ratio (CRR) by 100 basis points to 3% in a phased manner. The move comes at an opportune time and is expected to stimulate domestic demand, support credit growth, and add fresh momentum to overall economic activity. Consumer Price Index (CPI) inflation is projected to average 3.2% in the fiscal year 2024-25, a significant decline from 5.4% in 2023-24 and is expected to remain moderate at around 3.7% in FY2026.

## Outlook

India's economic outlook remains strong and forward-looking, supported by a combination of structural strengths and proactive policy measures. The country is on track to become the world's third-largest economy, powered by robust domestic demand, increasing capital investments and a series of structural reforms aimed at boosting productivity and global competitiveness. Growth is expected to hold steady at 6.5% year-on-year in FY2026, matching the previous year's performance and remaining above the global average. A key factor underpinning this momentum is the government's substantial capital expenditure of ₹ 11.2 lakh crore – 3.1% of GDP – allocated for FY2026, reinforcing its commitment to infrastructure development and long-term capacity building. In addition, India's demographic advantage, marked by a large and youthful population, continues to support consumption and labour supply. Over the past decade, focused investments in digitalisation, regulatory reforms, financial inclusion and physical infrastructure have laid a strong foundation for sustained growth. As the economy urbanises and industrialises, the shift towards clean and renewable energy will play a crucial role in shaping a sustainable and resilient growth trajectory. (Source: PIB)

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.

Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.

India's manufacturing sector reached a 16-year high in March, with the HSBC Manufacturing Purchasing Managers' Index (PMI) rising to 59.1, driven by strong increases in output, new orders, and job creation across various goods sectors.

India has the potential to become a global manufacturing hub for wind power components. India is well-positioned to cater to 10% of the global wind energy demand by 2030, leveraging its manufacturing capacity, technology, and global reputation. With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.

India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains.

A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector at par with global manufacturing standards.

The Union Minister for Finance and Corporate Affairs, Ms. Nirmala Sitharaman announced the "National Manufacturing Mission" in the Union Budget 2025-26 to boost "Make in India" by supporting industries of all sizes with policy frameworks, ease of business, MSME growth, future-ready workforce, and clean tech manufacturing. According to MeitY, India's digital economy is projected to grow at twice the rate of the overall economy, accounting for 20% of the national income by 2029-30, surpassing both agriculture and manufacturing, driven by digital platforms and widespread digitalisation across sectors.

FDI in India's manufacturing sector has reached Rs. 14,34,224 crore (US\$ 165.1 billion), a 69% increase over the past decade, driven by production-linked incentive (PLI) schemes. In the last five years, total FDI inflows amounted to Rs. 33,31,465 crore (US\$ 383.5 billion). India is planning to offer incentives of up to Rs. 18,000 crore (US\$ 2.2 billion) to spur local manufacturing in six new sectors including chemicals, shipping containers, and inputs for vaccines.

India ranked among the top five countries in services export growth in FY25 (April-November), rising to 12.8% from 5.7% in FY24, with computer and business services contributing around 70%. Major players like Apple and its contract manufacturers, along with Dixon Technologies, are expanding their workforce to meet growing production needs.

(Source: <https://www.ibef.org/industry/manufacturing-sector-india>)

## INDIA WINE MARKET OVERVIEW AND OUTLOOK

India's wine market is valued at approximately \$150-200 Mn (including both domestic and imported wines) with more than 3 Mn cases being sold annually.

Going forward, the Indian wine market is expected to grow at ~15% CAGR over CY 2023- 2028 led by the increasing prosperity and disposable income, rapid urbanization, evolving consumer preferences and increase in number of working women and women drinkers

### Key Growth Drivers:

- **Aspirational:** One of the primary drivers of this growth is the growing popularity of wine among the urban, middle-class population. Today, wine is seen as a sophisticated and aspirational drink
- **Food Pairing:** The popularity of Western cuisines, particularly Italian and French, has also boosted the wine market in India.
- **Emergence of Vineyards and New Varietals:** Another key factor in the growth of the wine industry is the emergence of new wineries and vineyards as well as expansion of the different red, white and rose varietals throughout the country.

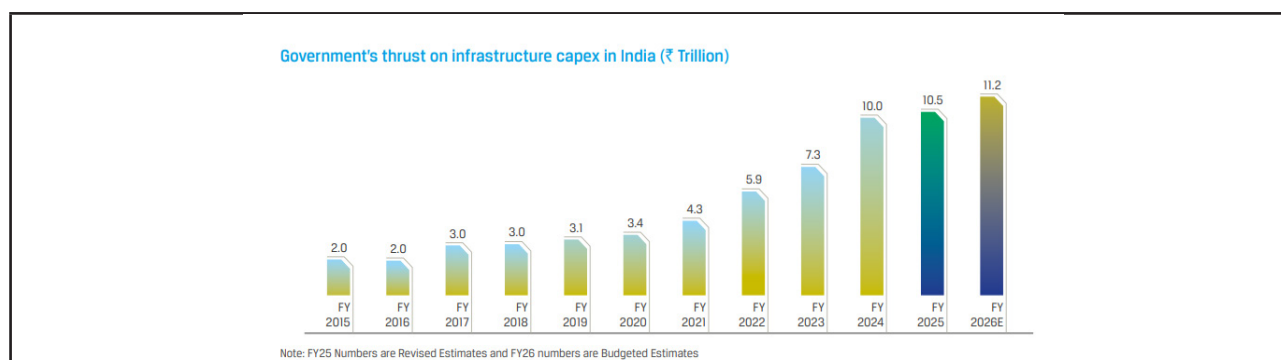
- **Favourable Demographics:** The wine industry in India benefits from a favourable demographic profile that supports its growth. India's burgeoning middle class that is growing, is open to new experiences and experimentation. The country's young population people in India are more receptive to trying new experiences and are willing to explore several types of beverages, including wine, providing a promising opportunity for wine companies to tap into this growing market segment.
- **Online Ordering & Home Delivery:** The COVID-19 pandemic led to the emergence of recent sales channels in the alcobev industry. Home delivery and limited e-commerce options for alcobev gained more prominence for their convenience, better purchase experience, which attracted more customers, including women. This sales channel has a promising future as it can improve the penetration of the alcobev industry, especially since the number of traditional outlets remains limited.
- **Premiumisation:** Premiumisation grew significantly during the pandemic because consumers wanted to create 'affordable luxury' experiences the comforts of their own homes and were willing to spend more on higher quality products across all alcohol categories, with no sign of this inclination slowing. This trend towards premiumization is expected in the sparkling wine category as well, where high-end bubbles are on an upward trajectory.
- **Rise of In-Home Consumption:** Post COVID-19, saw a sea of change in consumer behaviour around alcohol consumption, with a shift towards drinking at home.
- **Favourable Policies Towards Wine:** One of the main drivers of the growth of the wine industry in India is the favourable regulations that treat wine as a distinct and separate category from other alcobev. These regulations have been particularly favourable in the states of Maharashtra and Karnataka, contributing significantly to the growth of the domestic wine industry

## INFRASTRUCTURE INDUSTRY – POSITIONED FOR GROWTH

The global infrastructure sector is undergoing a significant transformation, prioritising sustainable development and heightened environmental awareness, propelled by growing global climate commitments. The industry is increasingly embracing cleaner technologies in public infrastructure projects and accelerating the integration of renewable energy solutions. Modernising existing infrastructure alongside the development of new, sustainable assets has emerged as a strategic priority for both governments and private investors. Governments across the globe are rolling out ambitious infrastructure development initiatives aimed at driving economic growth and improving connectivity. The scale of investment needed is substantial, with projections suggesting that over US\$ 2 trillion per year will be required in transportation infrastructure alone through 2040 to support global economic expansion.

The global Infrastructure Sector Market size is estimated at US\$ 2.89 trillion in 2025, and is expected to reach US\$ 3.92 trillion by 2030, at a CAGR of 6.27% during the forecast period. According to the WTO's latest Global Trade Outlook and Statistics, the volume of world merchandise trade is projected to decline by 0.2% in 2025 under current conditions and tariff situation. This shift marks -0.2% contraction in merchandise trade in 2025 – down from +2.9% in 2024. However, a recovery is anticipated with the merchandise trade expected to increase by 2.5% in 2026. Regionally, the impact on merchandise trade is likely to be uneven.

India's infrastructure sector is expected to experience significant growth, driven by various government initiatives and an increase in government investments. With ` 11.2 lakh crore allocated for capital expenditure in FY2026, infrastructure development remains a priority for economic growth and job creation. Key developments include highway expansion faster construction and increased private sector participation. Urban infrastructure is also strengthening through initiatives such as the Urban Challenge Fund, the extended Jal Jeevan Mission and the revised UDAN scheme.



## Indian Market Outlook

The Indian industrial and manufacturing sectors are poised for robust growth, driven by the government's emphasis on "Make in India" initiatives, infrastructure development, and increasing exports. The demand for quality castings and forgings—core products of Carnation Industries Limited—is expected to rise steadily across automotive, railway, sanitary, and infrastructure segments. With India emerging as a global manufacturing hub, domestic foundries and casting companies stand to benefit from increased orders, especially as industries seek reliable local suppliers to reduce import dependence.

Simultaneously, the Indian beverages market, including alcoholic and non-alcoholic segments, is witnessing rapid expansion fueled by rising disposable incomes, urbanization, and changing consumer preferences. The spirits and wine industry, in particular, is projected to grow significantly, supported by greater acceptance, evolving lifestyles, and increased availability through modern retail channels. Carnation's entry into this sector through the acquisition of Oniv Beverages Private Limited positions the Company to capitalize on these favorable market dynamics.

However, challenges such as fluctuating raw material prices, regulatory complexities, and competition from both organized and unorganized players remain key considerations. Additionally, supply chain disruptions and macroeconomic uncertainties could impact growth trajectories in the short term.

Overall, the Indian market offers substantial opportunities for Carnation Industries Limited to leverage its core manufacturing expertise while diversifying into the promising beverages sector. Strategic alignment with market trends and continued focus on innovation and quality will be critical for sustained growth in the evolving Indian economic landscape.

### 1. Foundry & Casting Market

- India's foundry and casting sector reached USD 19.8 billion in 2024 and is projected to grow to USD 51.2 billion by 2033 at a CAGR of ~11.1% [imarcgroup.com+4imarcgroup.com+4imarcgroup.com+4](#).
- The metal casting market specifically was valued at USD 13.2 billion in 2024, expected to reach USD 21.9 billion by 2033 (CAGR ~5.5%) [imarcgroup.com](#).
- Within that, the iron casting segment alone stood at USD 4.5 billion in 2024, growing to USD 6.5 billion by 2033 (CAGR ~4.3%) [imarcgroup.com](#).

#### Growth Drivers:

- Rapid expansion in automotive production, including EVs, with over 5 million passenger vehicles and 23.9 million two-wheelers produced in FY 2024<sup>25</sup>.
- Government-backed infrastructure and "Make in India" initiatives have committed over USD 1.4 trillion in projects, directly increasing demand for cast components [imarcgroup.com+2marketresearchfuture.com+2imarcgroup.com+2](#).
- Industry-wide modernization, incorporating CAD/CAM, 3D printing, automation, and Industry 4.0 solutions to boost efficiency and export competitiveness.

### 2. Opportunities and Threats

#### • Opportunities

Re-entry into the manufacturing value chain post-resolution approval offers renewed focus on industrial and export orders.

Entry into beverages provides access to a high-margin, fast-growing consumer sector.

Adoption of technological upgrades and automation in foundries can improve margins and reduce waste.

#### • Threats

High input cost volatility (e.g., pig iron, scrap metal, energy).

Intense competition from organized and unorganized players in both the foundry and beverage industries.

Regulatory risks in liquor and beverage licensing across states.

### 3. Segment-wise or Product-wise Performance

**Industrial Castings:** With production partially restored post-CIRP, the Company expects steady growth in demand for grey and ductile iron components from infrastructure and sanitation sectors in FY 2025–26.

**Oniv Beverages:** Recently acquired (April 2025), with an FY 2023–24 turnover of ₹16.91 crores. Oniv is expected to contribute meaningfully to revenue from H2 FY 2025–26.

### 4. Outlook

Post-resolution, Carnation Industries Limited is focused on operational revival and strategic diversification. The Company expects stable revenue growth from castings due to government infrastructure spend and renewed private sector demand. In the beverage space, the Company will focus on scaling Oniv's product lines, entering new regional markets, and exploring both alcoholic and functional beverage segments. The management aims to transform Carnation into a two-engine enterprise—industrial manufacturing and consumer-facing beverages—ensuring revenue diversification and long-term resilience.

### 5. Risks and Concerns

Delays in production ramp-up may impact short-term cash flows.

Integration challenges and regulatory approvals for the beverage business could pose execution risks.

Liquidity pressures from historical debt may require disciplined cash and working capital management.

Compliance and taxation complexities in alcoholic beverage operations.

### 6. Internal Control Systems and Their Adequacy

The Company has implemented appropriate internal control systems in line with its scale and complexity. Post-CIRP, new systems are being integrated across accounting, inventory management, and procurement functions. The internal audit function is being strengthened with oversight from the Resolution Professional and newly appointed Key Managerial Personnel (KMPs).

### 7. Financial Performance with Respect to Operational Performance

Q3 FY25: Net loss of ₹2.71 million due to subdued production post-resolution.

9M FY25: Net profit of ₹19.19 million reflecting partial recovery and other income components.

The equity base was restructured under the approved resolution plan, effective November 14, 2024, cancelling earlier share capital and issuing new equity (90% to promoter, 10% to public shareholders).

### 8. Human Resources and Industrial Relations

The Company has resumed hiring and capacity restoration across its three grey iron and one ductile iron foundries. It is focused on building a skilled and agile workforce with an emphasis on technical training, compliance, and safety. The addition of beverage operations will require recruitment in marketing, logistics, and FMCG sales.

### 9. Key Managerial Changes

Ms. Anamika Gupta appointed as Chief Financial Officer w.e.f. November 18, 2024.

Mrs. Parul Rai appointed as Company Secretary and Compliance Officer w.e.f. November 18, 2024.

Mr. Sanjay Agarwal resigned from Company Secretary position w.e.f. May 29, 2023.

### Cautionary Statement

*This Management Discussion and Analysis Report includes forward-looking statements relating to the Company's future business plans, financial performance, strategic initiatives, and industry outlook. These statements are based on current expectations and assumptions and are subject to inherent risks and uncertainties, many of which are beyond the Company's control.*

*Actual results may differ materially from those expressed or implied in such statements due to factors such as changes in economic conditions, regulatory developments, market volatility, operational challenges, and competitive dynamics. The Company does not undertake any obligation to update these forward-looking statements, except as required by applicable law, and advises stakeholders to interpret them in light of these uncertainties.*

**For and on behalf of the Board  
Carnation Industries Limited**

**Date: 05.09.2025  
Place: Delhi**

**Bhawna Gupta  
Director  
DIN: 10101543**

**ANNEXURE-III**

**PERFORMANCE EVALUATION 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**

**Date: 05.09.2025  
Place: Delhi**

**Bhawna Gupta  
Director  
DIN: 10101543**

**ANNEXURE-IV****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 arms 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:

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
1	Bhawna Gupta	Director	Remuneration	N.A.	2,50,000	N.A.	N.A.
2	Parul Rai	Company Secretary	Remuneration	N.A.	2,35,074	N.A.	N.A.
3	Anamika Gupta	Chief Financial Officer	Remuneration	N.A.	3,43,648	N.A.	N.A.

For and on behalf of the Board  
**CARNATION INDUSTRIES LIMITED**

Date: 05.09.2025  
 Place: 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

- 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*
Bhawna Gupta	Director	0.64	NA
Anamika Agarwal	Chief Financial Officer	0.97	
Parul Rai	Company Secretary	0.70	

- No other directors were paid remuneration during the Financial Year 2024-25.

- 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 2024- 25 hence disclosure under this head is not applicable.
- 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, 2025 is 4 across all the locations.
- Average percentile increase 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 effected during the year 2024-25 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.

For and on behalf of the Board  
**CARNATION INDUSTRIES LIMITED**

**Bhawna Gupta**  
Director  
DIN: 10101543

Date: 05.09.2025  
Place: Delhi

**ANNEXURE-‘V’****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 31st March, 2025 in terms of Regulation 34(3) of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**For and on behalf of the Board of Directors**  
**Carnation Industries Limited**

**Place: Delhi**

**Date: 05.09.2025**

**Bhawna Gupta**  
**Director**  
**(DIN: 10101543)**

**ANNEXURE- VI**

**COMPLIANCE CERTIFICATE TO THE BOARD PURSUANT TO REGULATION 17(8) OF SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Board of Directors  
**Carnation Industries Limited**

We, Bhawna Gupta, Executive Director and Bhartendu Pratihasta, CFO of M/s. Carnation Industries Limited, to the best of our knowledge and belief certify that:

**Corporate Office:**

A. We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended March 31, 2025 and to the best of my knowledge and belief:

- (I) These statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
- C. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company and we have evaluated the effectiveness of the Company's internal controls and procedures pertaining to financial reporting.
- D. The Company's other certifying officers and we have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and through them to the Audit Committee of the Company's Board of Directors:
- a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
  - b. Significant changes in internal control over financial reporting during the year;
  - c. Any fraud, for which we have become aware of and that involves Management or other employees who have a significant role in the Company's internal control systems over financial reporting;
  - d. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

**For CARNATION INDUSTRIES LIMITED**

**Date: 05.09.2025**  
**Place: New Delhi**

**Bhawna Gupta**  
**Director**  
**DIN: 10101543**

**Bhartendu Pratihasta**  
**CFO**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To

The Members,

**Carnation Industries Limited**

G-2, 34/1, Vikas House, Vikas Path Marg,

East Punjabi Bagh, Delhi-110026

**Corporate Office:**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Carnation Industries Limited CIN: L27209WB1983PLC035920 having corporate office at G-2, 34/1, Vikas House, Vikas Path Marg, East Punjabi Bagh, Delhi-110026(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial year ended March 31, 2025.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of a Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any court or any other Statutory Authority:

S. No.	Name of Director	DIN	Date of Appointment
1.	Mrs. Bhawna Gupta	10101543	05-06-2024
2.	Mrs. Poonam Dhingra	09524982	05-06-2024
3	Mrs. Sony Kumari	09270483	05-06-2024
4.	Mrs. Mansi Gupta	09271995	05-06-2024

Pursuant to change in control and management, there was change in the Composition of Board of Directors and Committees of the Company w.e.f. June 5, 2024.

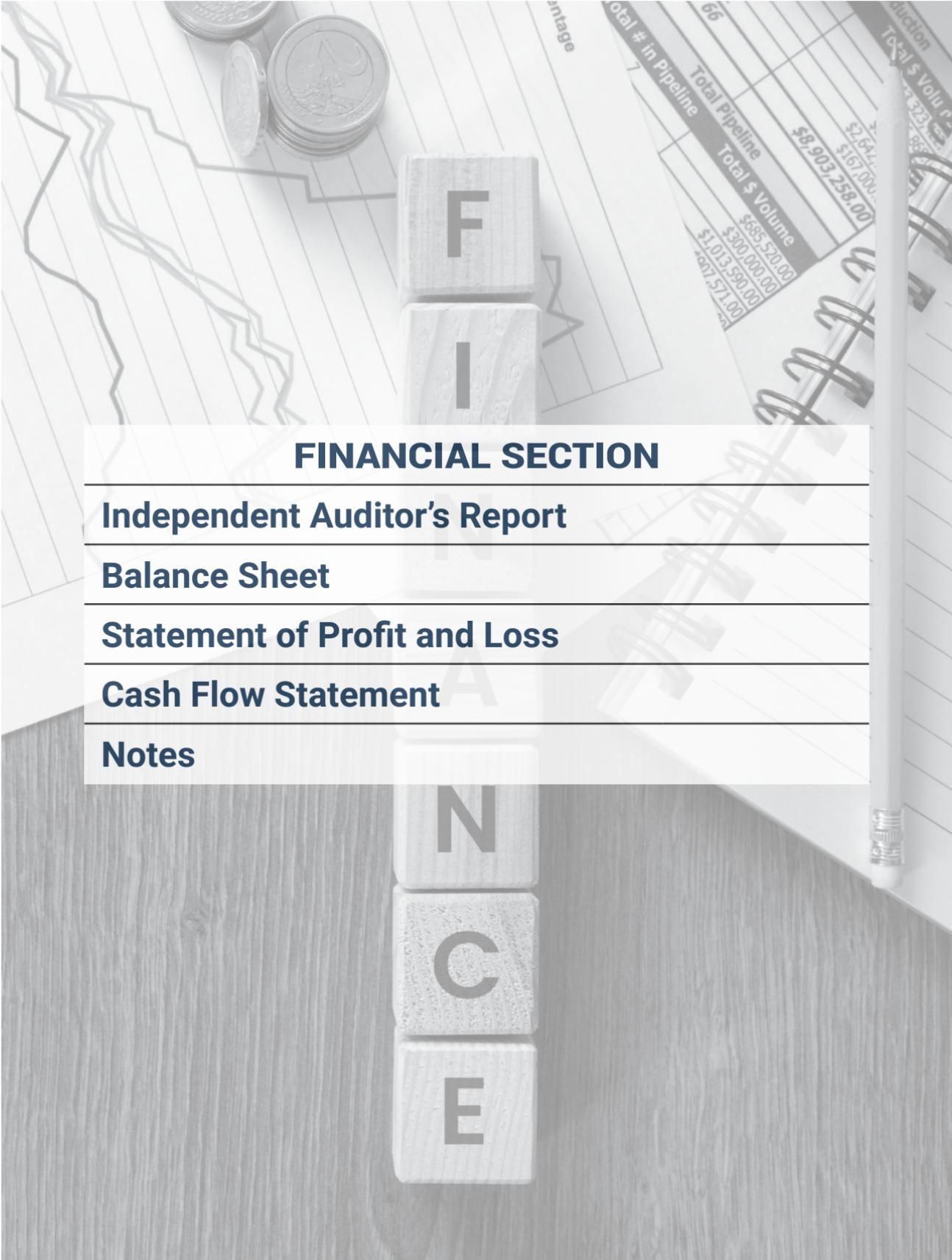
Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **AVINASH KUMAR & Co**  
 Company Secretaries

AVINASH KUMAR  
 M.No.: F12480| CP No. 18318  
 PEER REVIEW: 3225/2023  
 UDIN: F012480G001170857

Date: 04.09.2025

Place: New Delhi



**FINANCIAL SECTION**

**Independent Auditor's Report**

**Balance Sheet**

**Statement of Profit and Loss**

**Cash Flow Statement**

**Notes**

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**CARNATION INDUSTRIES LIMITED**

### Report on the Audit of Financial Statements

#### Opinion

We have audited the financial statements of **CARNATION INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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").

In our opinion and to the best of our information and according to the explanations given to us, 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, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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 opinion.

#### Emphasis of Matter

- i. We draw attention to Note 24(i) of the Financial statements, the Company has come out of Corporate Insolvency Resolution Process (CIRP) as per order of the Hon'ble National Company Law Tribunal, Kolkata (NCLT) vide order Dt. 5<sup>th</sup> June 2024. Subsequent to that, during the year the company has written back liabilities amounting to Rs. 233.84 Lacs and has also written off assets amounting to Rs. 35.16 Lacs.
- ii. We draw attention to Note 7.1 of the Financial statements regarding unclaimed dividend of Rs 1.42 Lakh which was required to be transferred to Investor Education and Protection Fund (IEPF).
- iii. We draw attention to Note 9.1 of the Financial statements regarding classifying all its assets to Asset held for sale at carrying value.
- iv. We draw attention to Note 24(xxi) of the Financial statements regarding non satisfaction of charges in Registrar of Company (ROC) for with ICICI Bank.
- v. We draw attention to Note 10.3 and 10.4 of the Financial statements regarding non updating list of shareholders as on 31<sup>st</sup> March, 2025.

Our opinion is not modified in respect of these matters.

#### 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 Emphasis of Matters paragraph, the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Completion by way of resolution from Corporate Insolvency Resolution Process and Fund Infusion by SRA</b></p> <p>Pursuant to the order of the Hon'ble National Company Law Tribunal (NCLT) Kolkata Bench dated June 5, 2024, the corporate insolvency resolution process (CIRP) initiated against the Company has been concluded by way of resolution. As per the approved resolution plan, the Successful Resolution Applicant (SRA) has infused the committed funds into the Company, and control has been transferred to the new management.</p> <p>This event has a significant bearing on the financial statements, particularly in relation to the assessment of going concern, reclassification of liabilities, and disclosures regarding the resolution process. The appropriateness of accounting and disclosure related to the implementation of the resolution plan required significant auditor attention due to the nature, size, and timing of the transaction.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>Evaluating the Company's assessment of its ability to continue as a going concern, considering the fund infusion and operational revival post-CIRP.</li> <li>Obtaining and examining the NCLT order dated June 5, 2024 and other relevant correspondence, including the approved resolution plan.</li> <li>Assessing the adequacy and appropriateness of disclosures made in the financial statements in relation to the CIRP and the actions undertaken pursuant to the approved resolution plan.</li> <li>Discussing with the management and the resolution professional to understand the implementation status of the approved resolution plan and related financial impacts.</li> <li>Reviewing the accounting treatment of transactions arising from the approved resolution plan and evaluating the presentation of liabilities and assets in the financial statements.</li> </ul> <p>Based on the audit procedures performed, we believe that the Company has appropriately accounted for the impact and/or actions pursuant to the approved resolution plan in the financial statements.</p>

#### 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 charged 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's Board of Directors 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 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 Board of Directors 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.

Those Board of Directors 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. 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 matters described in 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. the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;
  - e. On the basis of written representation received from the directors taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 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;
  - g. In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act;
  - h. The modifications relating to the maintenance of accounts and other matters connected there with are as stated in 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 does not have any pending litigations which would impact its financial position.
    - 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. 1.42 Lacs 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, the Company has not used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility throughout the year as there were instances of migration to other software not having audit trail feature. Accordingly, we are unable to comment whether all transactions for the year have been recorded in the software having audit trail (edit log) feature.

With regard to preservation of audit trail as per the statutory requirements for record retention, comment on preservation cannot be made since the Company has used a software for maintaining accounts for the Financial Year 2023-24 which did not have audit trail (edit log) feature.

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

**Manoj Keshan**  
**(Partner)**

Place: Kolkata  
Date: 29<sup>th</sup> May, 2025.

**Membership No. 055272**  
**UDIN: 25055272BMJBDV1688**

**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, 2025.**

- 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.
- (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 Clause 3(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.
- VII. (a) According to the information and explanations given to us and on the basis of our examinations of the books of accounts, the Company has generally 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, 2025 for a period of more than six months from the date they became payable.
- (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. However, disputes if any pertaining to period prior to Insolvency Commencement date (i.e. 12<sup>th</sup> September 2023) has been deemed to be settled/

extinguished in terms of the order of Hon'ble NCLT Kolkata Bench dated 5<sup>th</sup> June 2024.

- 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 had 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. However, in terms of the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") order Dt: 5th June 2024, the said credit facility has been settled and accordingly the default has been cured. [Refer Note 14(i) 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 not used funds raised on short term basis 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 except allotment of shares made pursuant to the approved resolution plan vide Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") order Dt: 5th June 2024. [Refer Note 10 of the Financial Statements].
- 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 not incurred cash losses in the financial year under review however Cash loss of Rs. 45.48 Lacs was incurred 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 our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. 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 as and when they fall due.
- 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**  
**(Partner)**

Place: Kolkata  
Date: 29<sup>th</sup> May, 2025.

**Membership No. 055272**  
**UDIN: 25055272BMJBDV1688**

## **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, 2025.**

### **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, 2025 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, 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, 2025, 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**  
**(Partner)**

Place: Kolkata  
Date: 29<sup>th</sup> May, 2025.

**Membership No. 055272**  
**UDIN: 25055272BMJBDV1688**

**BALANCE SHEET AS AT 31ST MARCH, 2025**

(Rs. In Lacs)

Sr. No	Particulars	Note No.	As at 31.03.2025	As at 31.03.2024
	<b>ASSETS :</b>			
(1)	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	3	-	88.36
	Intangible Assets	4	-	0.08
	Financial Assets			
	Investments			
	Other Non-Current Assets	5	-	14.86
(2)	<b>Current Assets</b>			
	Inventories			-
	Financial Assets			
	(a) Trade Receivables		-	-
	(b) Cash and Cash Equivalents	6	90.42	0.25
	(c) Bank Balance Other than Cash and Cash Equivalents	7	1.42	1.42
	(d) Other Financial Assets		-	-
	Current Tax Assets (net)		-	-
	Other Current assets	8	51.53	25.42
(3)	<b>Assets classified as held for sale</b>	9	87.35	-
	<b>Total Assets</b>		<b>230.72</b>	<b>130.38</b>
	<b>EQUITY AND LIABILITY</b>			
(1)	<b>EQUITY</b>			
	Share Capital	10	345.72	345.72
	Other Equity	11	(182.63)	(636.15)
	Funds Infused in terms of Resolution Plan			
	<b>LIABILITY</b>			
(2)	<b>Non-Current Liabilities</b>			
	Financial Liabilities			
	-Borrowings		-	-
	Provisions	12	-	18.32
	Deferred Tax Liabilities (Net)	13	21.86	15.09
(3)	<b>Current Liabilities</b>			
	Financial Liabilities			
	-Borrowings	14	10.61	191.61
	-Trade Payables			
	(A) total outstanding dues of micro enterprises and small enterprises	15	-	28.48
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	16	21.60	69.84
	-Other Financial Liabilities	17	1.42	1.52
	Other Current Liabilities	18	12.14	95.96
	<b>Total Equity and Liabilities</b>		<b>230.72</b>	<b>130.38</b>

**Material Accounting policies**

The accompanying notes are integral part of the financial statements

As per our report annexed of even date

For Jain Saraogi &amp; Co LLP

Chartered Accountants

Firm Regn. No- 305004E/E300281

Manoj Kumar Keshan

Partner

Membership No. 55272

UDIN: 25055272BMJBDV1688

Place: Kolkata

Date: 29.5.2025

For and On behalf of the Board of Directors of  
Carnation Industries Limited

Bhawna Gupta  
(Executive Director)  
(DIN:10101543)

Sony Kumari  
(Independent Director)  
(DIN: 09270483)

Anamika Gupta  
(Chief Financial Officer)

Parul Rai  
(Company Secretary)

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rs. In Lacs)

Sr. No	Particulars	Note No.	For the Year ended 31.03.2025	For the Year ended 31.03.2024
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
I	Revenue From operations			-
II	Other Income	19	233.84	-
<b>III</b>	<b>Total Income (I +II)</b>		<b>233.84</b>	<b>-</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed and other manufacturing expenses		-	-
	Cost of Trading Goods		-	-
	Changes in inventories of Finished Goods		-	-
	Employee benefit expense	20	10.01	4.60
	Finance costs	21	-	11.21
	Depreciation and amortization expense		1.08	1.66
	Other expenses	22	73.54	29.68
	<b>Total expenses (IV)</b>		<b>84.62</b>	<b>47.15</b>
<b>V</b>	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>149.21</b>	<b>(47.15)</b>
<b>VI</b>	<b>Exceptional items</b>		-	-
<b>VII</b>	<b>Profit/ (loss) before tax (V-VI)</b>		<b>149.21</b>	<b>(47.15)</b>
<b>VIII</b>	<b>Tax Expenses</b>			
	a) Current Tax		-	-
	b) Current tax for earlier year		6.77	2.15
	c) Deferred Tax		6.77	2.15
<b>IX</b>	<b>Profit/ (Loss) for the period from continuing operations (VII-VIII)</b>		<b>142.44</b>	<b>(49.30)</b>
<b>XII</b>	<b>Profit/(loss) from discontinued operations (after tax)</b>		-	-
<b>XIII</b>	<b>Profit/(loss) for the period (IX-XII)</b>		<b>142.44</b>	<b>(49.30)</b>
<b>XIV</b>	<b>Other Comprehensive Income/ (Loss)</b>			
	Items that will not be reclassified to profit or loss			-
	Income tax relating to items that will not be reclassified to profit or loss			-
	<b>Other Comprehensive Income/ (Loss) for the year</b>		-	-
<b>XV</b>	<b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>142.44</b>	<b>(49.30)</b>
<b>XVI</b>	<b>Earnings per equity share (Face value per equity share Rs.10)</b>	23		
	1) Basic		4.12	(1.43)
	2) Diluted		4.12	(1.43)

**Material Accounting policies**

The accompanying notes are 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

For and On behalf of the Board of Directors of  
Carnation Industries Limited

Manoj Kumar Keshan  
Partner  
Membership No. 55272  
UDIN: 25055272BMJBDV1688

Bhawna Gupta  
(Executive Director)  
(DIN:10101543)

Sony Kumari  
(Independent Director)  
(DIN: 09270483)

Place: Kolkata  
Date: 29.5.2025

Anamika Gupta  
(Chief Financial Officer)

Parul Rai  
(Company Secretary)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rs. In Lacs)

PARTICULARS		For the year ended 31.03.2025	For the year ended 31.03.2024
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(loss) before exceptional items and tax	149.21	(47.15)
	<b>Adjustments for:</b>		
	-Depreciation, Impairment and Amortisation Expenses	1.08	1.66
	-(Profit)/Loss on sale/discard of Property Plant and Equipment(net)	-	0.01
	-Borrowings written back in terms of resolution plan	(49.60)	-
	-Finance Cost	-	11.21
	<b>Operating Profit Before Working Capital Changes</b>	<b>100.70</b>	<b>(34.26)</b>
	<b>Adjustments for:</b>		
	-(Decease)/ Increase in Trade Payables	(76.72)	35.50
	-(Decease)/ Increase in Non Current Provisions	(18.32)	(8.83)
	-(Decease)/ Increase in Other current Liabilities	(95.43)	1.16
	-Decrease/ (Increase) in other Non Current Assets	14.86	-
	-Decrease/ (Increase) in Trade Receivables (Net of Provision)	-	-
	-Decrease/ (Increase) in Other Current Asset	(26.12)	1.37
	<b>Cash Generated from Operations :</b>	<b>(101.03)</b>	<b>(5.06)</b>
	Income Tax Paid including Tax deducted at source	-	-
	<b>Net Cash generated from Operating Activities</b>	<b>(101.03)</b>	<b>(5.06)</b>
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant and Equipments, Intangible and Capital Work in Progress	-	(0.10)
	Sale of Investment (net)	-	-
	Sale of Property, Plant and Equipments, Intangible and Capital Work in Progress	-	0.17
	Receipt of advance for sale of assets	11.51	-
	Bank Balance other than cash & Cash equivalents (including accrued interest)	-	-
	<b>Net Cash generated/ (used) in Investing Activities</b>	<b>11.51</b>	<b>0.08</b>
<b>(C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Repayment of Bank Borrowings (Net)	(142.00)	16.82
	Receipt of Borrowings from Successful Resolution Applicant(net)	10.61	-
	Finance cost paid/converted to loan	-	(12.22)
	Advance from Resolution Professional	-	0.10
	Funds Infused in terms of Resolution Plan and Issue of Shares	311.08	-
	<b>Net Cash generated/(used) in Financing Activities</b>	<b>179.69</b>	<b>4.70</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>90.17</b>	<b>(0.30)</b>
	Opening Cash and Cash Equivalents	0.25	0.54
	Closing Cash and Cash Equivalents	90.42	0.25

**Material Accounting policies**

The accompanying notes are integral part of the financial statements

As per our report annexed of even date

For Jain Saraogi &amp; Co LLP

Chartered Accountants

Firm Regn. No- 305004E/E300281

Manoj Kumar Keshan

Partner

Membership No. 55272

UDIN: 25055272BMJBDV1688

For and On behalf of the Board of Directors of  
Carnation Industries Limited

Bhawna Gupta  
(Executive Director)  
(DIN:10101543)

Sony Kumari  
(Independent Director)  
(DIN: 09270483)

Place: Kolkata

Date: 29.5.2025

Anamika Gupta  
(Chief Financial Officer)

Parul Rai  
(Company Secretary)

## Statement of Changes in Equity for the year ended 31st March, 2025

(Rs. In Lacs)

### (A) Equity Share Capital Current Reporting Period

Balance at the beginning of the current reporting period	Equity shares cancelled during the year	Equity shares issued during the year	Restated balance at the beginning of the 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		-	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

Particulars	Share application money Pending allotment	Equity Component of Compound Financial Instruments	Capital Reserve	Securities Premium	General Reserve	Export Business Reserve	Retained Earning	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
Balance at the beginning of the current reporting period	-	-	48.84	306.30	493.24	26.89	(1,511.43)	-	-	-	-	-	-	-	(636.15)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on account of Share Cancellation & Re Issue (NET)	-	-	311.09	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the Current Year	-	-	-	-	-	-	142.44	-	-	-	-	-	-	-	142.44
Balance at the beginning of the current reporting period	-	-	359.93	306.30	493.24	26.89	(1,368.99)	-	-	-	-	-	-	-	(182.63)

Previous Reporting period										(Rs. In Lacs)						
Particulars	Share application money Pending allotment	Equity Component of Compound Financial Instruments	Reserve and Surplus					Retained Earning	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										
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	0									
Balance at the beginning of the current reporting period			48.84	306.30	493.24	26.89	(1,511.43)									(636.15)

### Summary of Significant 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: 25055272BMJBDV1688

Bhawna Gupta

(Executive Director)

(DIN: 10101543)

Sony Kumari

(Independent Director)

(DIN: 09270483)

Place: Kolkata

Date: 29.5.2025

Anamika Gupta

(Chief Financial Officer)

Parul Rai

(Company Secretary)

For and On behalf of the Board of Directors of Carnation Industries Limited

## 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 Hon'ble National Company Law Tribunal NCLT, Kolkata Bench (NCLT) has passed an order dated 5th June 2024 as per Company Insolvency Resolution Process. Its shares are listed on two stock exchanges in India (Bombay Stock Exchange and The Calcutta Stock Exchange Ltd.)

### 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 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 from the re-measurement of monetary items denominated in foreign at year-end exchange rates 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.

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 :**

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.

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.

## 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 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.

**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 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**

Note 3: PROPERTY, PLANT AND EQUIPMENT													(Rs. In Lacs)	
DESCRIPTION		GROSS BLOCK					DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT	
		AS AT 01-04-2024	ADDITIONS DURING THE YEAR DURING THE YEAR	DELETIONS AND ADJUSTMENTS	ASSETS CLASSIFIED AS HELD FOR SALE	AS AT 31-03-2025	UP TO 01-04-2024	PROVIDED DURING THE YEAR DURING THE YEAR	IMPAIRMENT LOSS	DELETIONS AND ADJUSTMENTS	ASSETS CLASSIFIED AS HELD FOR SALE	UP TO 31-03-2025	AS AT 31-03-2025	AS AT 31-03-2024
1	BUILDINGS	100.10	-	-	100.10	-	13.16	1.08	-	-	14.25	-	-	86.94
2	FURNITURE & FITTINGS	0.10	-	-	0.10	-	0.05	-	-	-	0.05	-	-	0.05
3	COMPUTERS P.C	3.05	-	-	3.05	-	1.67	-	-	-	1.67	-	-	1.37
TOTAL		103.25	-	-	103.25	-	14.89	1.08	-	-	15.98	-	-	88.36
Previous Year		103.43	-	0.18	-	103.25	13.25	1.64	-	-	17.70	14.89	88.36	

**Note 4. Intangible Asset**

Note 4. Intangible Asset												(Rs. In Lacs)	
DESCRIPTION	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET CARRYING AMOUNT		
	AS AT 01-04-2024	ADDITIONS DURING THE YEAR	DELETIONS AND ADJUSTMENTS	ASSETS CLASSIFIED AS HELD FOR SALE	AS AT 31-03-2025	UP TO 01-04-2024	PROVIDED DURING THE YEAR	DELETIONS AND ADJUSTMENTS	ASSETS CLASSIFIED AS HELD FOR SALE	UP TO 31-03-2025	AS AT 31-03-2025	AS AT 31-03-2024	
1) ERP SOFTWARE	2.28	-	-	2.28	-	2.28	-	-	2.28	-	-	-	
2) COMPUTER SOFTWARE	1.40	-	-	1.40	-	1.32	-	-	1.32	-	-	0.08	
TOTAL	3.68	-	-	3.68	-	3.60	-	-	3.60	-	-	0.08	
Previous Year	3.58	0.10	-	-	3.68	3.58	0.02	-	-	3.60	0.08	-	

Note 5	Particulars		As on 31.03.2025	As on 31.03.2024	(Rs. In Lacs)
	OTHER NON-CURRENT ASSETS				
	(Unsecured Considered Good)				
	Other Advances (Refer note 5.1)				14.86
	<b>Total</b>				<b>14.86</b>
<b>Note 5.1:-</b>	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, the same has been written off during the financial year 2024-25.				

Note 6	CASH AND BANK BALANCES		As on 31.03.2025	As on 31.03.2024	(Rs. In Lacs)
	Cash and Cash Equivalents				
	Cash in hand (As certified by Management)		0.18	0.03	
	Balances with Banks on Current Accounts		90.24	0.22	
	<b>Total</b>		<b>90.42</b>	<b>0.25</b>	
<b>Note 6.1:-</b>	The bank balance lying with State Bank of India (earlier State Bank of Hyderabad) amounting to Rs 5185.20 and Punjab National Bank amounting to Rs 6844.38 has been written off during the financial year.				

**Note 7 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Balance earmarked for unclaimed Dividend (Refer Note no. 7.1)	1.42	1.42
<b>Total</b>	<b>1.42</b>	<b>1.42</b>
<b>Note: 7.1</b> :In accordance with the applicable regulatory requirements, unclaimed dividend account has a balance of Rs. 1.42 Lakhs which the company is required to transfer to Investor Education and Protection Fund (IEPF), the same is under process.		

**Note 8 OTHER CURRENT ASSETS****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Advances to Supplier/ Service Provider/ Capital Goods	50.05	1.97
Security Deposit (Refer Note 8.1)	-	1.11
Balances with Indirect Tax Authorities		
GST Input Tax Credit	1.48	16.79
Deposit against demand raised by customs authorities	-	5.54
<b>Total</b>	<b>51.53</b>	<b>25.42</b>
<b>Note 8.1:-</b> Security Deposit which in the opinion of management was not recoverable has been written off.		

**Note 9 ASSETS CLASSIFIED AS HELD FOR SALE****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
BUILDINGS	85.85	-
FURNITURE & FITTINGS	0.04	-
COMPUTERS P.C	1.38	-
Computer Software	0.08	-
<b>Total</b>	<b>87.35</b>	<b>-</b>

**Note 9.1:** In terms of resolution passed by the Board of Directors of the company in its meeting dated 18th November 2024, the company on Dt. 28.11.2024 categorised its Property plant and Equipments and Intangible assets as detailed above.

The company has shifted its corporate office to New Delhi on and with effect from Dt: 18.11.2024.

Based on the current market expectation, the anticipated sales value of the assets exceeds its written down value. Consequently, no impairment has been recognised or recorded in relation to the assets. This assessment aligns with applicable accounting principles, and as the assets's recoverable amount surpasses its carrying value, no adjustment for impairment is deemed necessary at this time.

**Note 10 SHARE CAPITAL**
**(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
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	345.72	345.72
<b>Total</b>	<b>345.72</b>	<b>345.72</b>

**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
Shares cancelled during the year	(34.57)	-
Shares issued during the year	34.57	-
<b>Outstanding at the end of the period</b>	<b>34.57</b>	<b>34.57</b>

\*The company was acquired by the SRA consequent to NCLT order dt: 5th June 2024. The entire existing Shares of the Company was cancelled and new shares were issued as per the approved resolution plan as per the order of the Kolkata Bench of the Hon'able of NCLT . Total Number of existing shares cancelled 3457160 of Rs 10 each. The Company issued fresh shares in place of the existing shares. Total no of fresh share issued by the Company are 3457160 of Rs. 10 each. Out of the total numbers of fresh shares issued (3457160) 3110864 number of shares of Rs 10 each were issued to Shri Vikas Garg, and 346296 number of shares of Rs. 10/- each were issued to existing shareholders on pro rata basis in place of cancelled shares.

**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.

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

The Company has received Listing Approval on March 26, 2025 from Bombay Stock Exchange (BSE). The corporate action for credit of shares in the respective accounts of the shareholders is in process accordingly list of shareholders as on 31-03-2025 is not yet updated.

**Note:10.4:** Details of shareholding of Promoters

The Company has received Listing Approval on March 26, 2025 from Bombay Stock Exchange (BSE). The corporate action for credit of shares in the respective accounts of the shareholders is in process accordingly list of shareholders as on 31-03-2025 is not yet updated.

**Note 11 OTHER EQUITY****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Capital Reserve	359.93	48.84
Securities Premium	306.30	306.30
General Reserves	493.24	493.24
Export Business Reserves	26.89	26.89
Retained Earnings	(1,368.99)	(1,511.43)
<b>Total</b>	<b>(182.63)</b>	<b>(636.15)</b>

**Note 12 PROVISIONS****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Provision for Gratuity	-	17.50
Provision for Leave Encashment	-	0.82
<b>Total</b>	<b>-</b>	<b>18.32</b>

**Note 13 DEFERRED TAX LIABILITIES****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
The major components of the Deferred tax assets/liabilities based on the tax effect on the timing difference are as follows:		
<b>Deferred Tax Liability/(Assets)</b>		
Property, Plant & Equipment and Intangible assets and Assets held for sale	21.86	19.85
Provision for Leave Encashment	-	(0.21)
Provision for Gratuity	-	(4.55)
<b>Net Deferred Tax Liability/(Assets)</b>	<b>21.86</b>	<b>15.09</b>

**Note 14 BORROWINGS****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Secured Loan from ICICI Bank (Refer note 14.1 below)	-	169.75
Unsecured Loan from Director	-	21.86
Unsecured Loan from Promoter	10.61	
<b>Total</b>	<b>10.61</b>	<b>191.61</b>

**Note 14.1:** In terms of the Hon'ble National Company Law tribunal NCLT, Kolkata Bench (NCLT) Dt: 5th June 2024, the financial creditor i.e., ICICI Bank Limited (the lender) outstanding were settled. Satisfaction of charge at the Ministry of Corporate Affairs, Registrar of Companies, West Bengal is yet to be complied with.

**Note 14.2:** Unsecured Loans from Directors Outstanding as on 31.3.2024 amounting Rs. 21.86 lacs has been written back.

**Note 15 TOTAL OUTSTANDING DUES OF MICRO AND SMALL ENTERPRISES**
**(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Principal amount of outstanding dues of Micro and Small Enterprises	-	10.92
Unpaid Interest outstanding at the end of the year	-	17.56
<b>Total</b>	-	<b>28.48</b>

**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 Nil (P.Y. Rs. 17.56 Lacs).

**Note 16 TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO AND SMALL ENTERPRISES**
**(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
-outstanding dues of creditors other than micro enterprises and small enterprises (Refer to Note no. 16.1)	21.60	69.84
<b>Total</b>	<b>21.60</b>	<b>69.84</b>

**Note 16.1: Creditors Ageing as on 31.03.2025**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME					-
Others	21.60				21.60
Disputed dues - MSME					-
Disputed dues - Others					-
<b>Grand Total</b>	<b>21.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>21.60</b>

**Creditors Ageing as on 31.03.2024**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	2.77	9.29		16.42	28.48
Others	32.83	5.63	2.36	15.87	56.69
Disputed dues - MSME					
Disputed dues - Others				13.15	13.15
<b>Grand Total</b>	<b>35.60</b>	<b>14.92</b>	<b>2.36</b>	<b>45.44</b>	<b>98.32</b>

**Note 17 OTHER FINANCIAL LIABILITIES****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Unclaimed Dividend	1.42	1.42
Advance from Resolution Professional	-	0.10
<b>Total</b>	<b>1.42</b>	<b>1.52</b>

**Note 18 OTHER CURRENT LIABILITIES****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Advance from Customer	-	55.53
Statutory Dues	-	0.08
Provident Fund and Professional Tax	0.40	1.59
Tax Deducted at Sources	0.23	-
GST RCM Payable	-	38.76
Refundable Duty Drawback	11.51	-
Advance received for assets held for sale	-	-
<b>Total</b>	<b>12.14</b>	<b>95.96</b>

**Note 19 OTHER INCOME****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Write off/ Write Back(Refer note no. 20.1)	233.84	-
<b>Total</b>	<b>233.84</b>	<b>-</b>

**Note 19.1:** The Company has written back liability for sundry creditor, unsecured loans, Statutory dues, other dues and other liabilities amounting to Rs.233.84 Lacs which were not payable. The same have been treated as income during the year by the company.

**Note 20 EMPLOYEE BENEFIT EXPENSES****(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Salaries	7.51	3.90
Director Remuneration	2.50	-
Bonus	-	0.27
Workmen & Staff Welfare Expenses	-	0.08
Contribution to PF, ESI and other Funds	-	0.15
Gratuity	-	0.20
<b>Total</b>	<b>10.01</b>	<b>4.60</b>

**Note 21 FINANCE COST**
**(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Interest	-	-
- to Bank on Term Loan	-	8.44
- on Micro and Small Enterprises	-	2.76
Bank Charges	-	0.00
<b>Total</b>	<b>-</b>	<b>11.21</b>

**Note 22 OTHER EXPENSES**
**(Rs. In Lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
Repairs & Maintenance		
To Other Assets	0.01	1.58
Office Expense	2.57	0.85
Office Rent	1.80	1.80
Advertisement Expense	0.23	0.06
Loss on Sale of Fixed Assets	-	0.01
Internal Audit Fees	-	0.40
Payment to Auditors (Refer note 22.1)	2.97	2.00
Director's Meeting Fees	-	1.10
Legal & Professional Expenses and Service Charges	13.82	17.42
Communication Expenses	-	0.11
Refundable Duty Drawback	-	-
Travelling & Conveyance	0.13	0.08
Listing Fees	10.15	3.50
Bank Charges	0.02	
Service Charges	0.81	0.77
Interest on TDS	0.17	-
Interenet and Telephone expense	0.10	-
Courier Expense	0.12	-
Licence Fees	0.15	-
Fees and Filings	5.21	-
Balances Written off (Refer note 22.2)	35.16	
GST Non claimable amount	0.11	-
<b>Total</b>	<b>73.54</b>	<b>29.68</b>

**Note 22.1**

<b>Payment to Auditors Includes</b>		
-Audit Fees	1.70	1.70
-Limited Review fees	0.90	0.30
-Certification	0.37	-
<b>Total</b>	<b>2.97</b>	<b>2.00</b>

**Note 22.2** The company has written off certain assets, which are not recoverable in the opinion of the management amounting to Rs. 35.16 Lacs and accounted as other expenses in profit and loss account.

**Note 23 EARNING PER SHARE**
**(Rs. In Lacs)**

Particulars		As on 31.03.2025	As on 31.03.2024
	Earnings per equity shares		
<b>1) Basic Earning Per Share</b>			
(a)	Net Profit after Tax from Continuing operations (Rs.)	<b>142.44</b>	<b>(49.30)</b>
(b)	Weighted average number of equity Shares outstanding at the end of the Year (No. Of Shares)	<b>34.57</b>	<b>34.57</b>
(c)	Basic Earning Per Share (Rs. ) (a/b)	<b>4.12</b>	<b>(1.43)</b>
(d)	Face Value per equityshare (Rs.)	<b>10.00</b>	<b>10.00</b>
<b>2) Diluted Earning Per Share</b>			
(a)	Net Profit after Tax from Continuing operations (Rs.)	<b>142.44</b>	<b>(49.30)</b>
(b)	Weighted average number of equity Shares outstanding at the end of the Year (No. Of Shares)	<b>34.57</b>	<b>34.57</b>
(c)	Diluted Earning Per Share (Rs. ) (a/b)	<b>4.12</b>	<b>(1.43)</b>
(d)	Face Value per equityshare (Rs.)	<b>10.00</b>	<b>10.00</b>

**Note 24 OTHER NOTES**

- i) The Hon'ble National Company Law Tribunal NCLT, Kolkata Bench (NCLT) admitted the Corporate Insolvency Resolution Process (CIRP) application filed by a financial creditor of Carnation Industries Limited (the Company) and appointed an interim resolution professional (IRP) in terms of the Insolvency and Bankruptcy Code, 2016 (the Code) to manage the affairs of the Company. Pursuant to this, based on the application made by the Committee of Creditors of the Company (COC), the Hon'ble NCLT appointed Anubrata Gangoly (RP) as the Resolution Professional for conducting Corporate Insolvency Resolution Process. Pursuant to COC's approval of resolution plan dated April 13, 2024 as submitted by the Resolution Applicant, Mr. Vikas Garg, RP has filed an application for the approval of the resolution plan as submitted by SRA before Hon'ble NCLT. The company has received the order on 5th day of June 2024 from the Honorable NCLT, Kolkata, wherein the successful resolution applicant will get the shares in the manner prescribed in the resolution plan. Accordingly the company has written back all their liabilities appearing in the books of accounts which was not admitted and considered by the honorable NCLT while passing order under section-9 of the Insolvency and Bankruptcy Code 2016. The entire existing Shares of the Company was cancelled and new shares were issued as per the approved resolution plan as per the order of the Kolkata Bench of the Hon'able of NCLT. Total Number of existing shares cancelled 3457160 of Rs 10 each. The Company issued fresh shares in place of the existing shares. Total no of fresh share issued by the Company are 3457160 of Rs. 10 each. Out of the total numbers of fresh shares issued (3457160) 3110864 number of shares of Rs 10 each were issued to Shri Vikas Garg, and 346296 number of shares of Rs. 10/- each were issued to existing shareholders on pro rata basis in place of cancelled shares.
- ii) Estimated amount of contracts remaining to be executed on Capital Account is NIL (Previous year NIL).
- iii) In terms of the Hon'ble National Company Law tribunal NCLT, Kolkata Bench (NCLT) Dt: 5th June 2024, the financial creditor i.e., ICICI Bank Limited (the lender) outstanding were settled. Satisfaction of charge at the Ministry of Corporate Affairs, Registrar of Companies, West Bengal is yet to be complied with.

- iv) Contingent liability :  
Refer to note 24(i) above, company has come out of Insolvency process as per the Hon'ble National Company Law tribunal NCLT, Kolkata Bench (NCLT) Dt: 5th June 2024. In the management view there are no contingent liabilities as on the last date of financial year.
- v) Gratuity and Other Post-Employment Benefit Plans:  
Refer to note 24(i) above, company has come out of Insolvency process as per the Hon'ble National Company Law tribunal NCLT, Kolkata Bench (NCLT) Dt: 5th June 2024. As on the end of the financial year, the employees have not completed the requisite period to be entitled for Gratuity and Leave encashment accordingly the Provision for Gratuity and Other Post-Employment Benefit Plans are not made
- vi) 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.
- vii) 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 .
- viii) The company has not commenced the Business Operations except administrative operations and accordingly there is no reportable segment for the purpose of IND-AS-108.
- ix) Related party disclosures and transactions: for **F.Y 2024-25**

**Details of related parties**

Description of relationship	Names of related parties
Ultimate Holding Company	N.A.
Holding Company	N.A.
Ultimate Holding Company	N.A.
Subsidiaries	N.A.
Fellow Subsidiaries	N.A.
Associates	N.A.

Key Management Personnel (KMP)	Bhawna Gupta Anamika Gupta Parul Rai Sony Kumari Mansi Gupta Poonam Dhingra	Director Chief Financial Officer Company Secretary Director Director Director
Close member of KMP	NA	
Company/Entities in which KMP / Close member of KMP can exercise significant influence	NA	
Vikas Garg is the Successful Resolution Applicant of the entity Carnation Industries Limited.		
<b>Note:</b> Related parties have been identified by the Management.		

Details of related party transactions during the year ended on 31st March, 2025 and balances outstanding as at 31st March, 2025

SL.	Name	Relationship	Nature of Transaction	Amount (Rs. In Lacs)	Outstanding (Rs. In Lacs)
1	Mr. Vikas Garg	Promoter	Loan Received	10.61	10.61
2	Vikas Garg Huf	Huf of Promoter	Rent paid	1.80	0.9
3	Bhawna Gupta	Director	Remuneration	2.50	0.5
4	Anamika Gupta	CFO	Remuneration	3.43	0.61
5	Parul Rai	CS	Remuneration	2.32	0.51
6	Vikas Garg	Creditor	Listing fees paid on behalf of Company	14.20	14.2

**Related party disclosures and transactions related to Financial Year 2023-24:**

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	0.3
2	Mr. Suvabrata Saha (Resigned on 13.04.23)	Suspended Jt. Managing Director	Meeting Fees	0.00	0
3	Mr. Arun Kumar Bose	Suspended Non Executive Director	Meeting Fees	0.25	0.18
4	Dr. Sephali Roy	Suspended Non Executive Director	Meeting Fees	0.35	0.27
5	Mr. Subir Chatterjee	Suspended Non Executive Director	Meeting fees	0.20	0.14
6	Mr. Sanjay Agarwal (Resigned on 08.05.23)	Company Secretary	Remuneration	1.21	0.00
7	Mr. Somnath Pradhan (Resigned on 30.09.23)	Chief Financial Officer	Remuneration	2.82	1.46
8	Mr.R.P.Sehgal	Suspended Managing Director	Loan received from director	7.36	21.86

**x) Earnings and Expenditure in Foreign Exchange during the year (Rs. in lacs)**

Particulars	As on 31.03.2025	As on 31.03.2024
a). Earnings in Foreign Exchange during the year	Nil	Nil
b). Expenditure in Foreign Currency	Nil	Nil

**xi) 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, 2025

Particulars	Fair value measurement at end of the reporting period/ year using Amount (Rs. In Lacs)		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Investments in equity instruments	NIL (P.Y. NIL)	NIL (P.Y. NIL)	NIL (P.Y. NIL)
<b>Liabilities</b>			
Derivative financial instruments	NIL (P.Y. NIL)	NIL (P.Y. NIL)	NIL (P.Y. NIL)
<b>Note:-</b>			
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 forecast cash flow information where applicable.			
c) There have been no transfers between level 1 and Level 2 for the years ended March 31, 2025			

**xii) 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. 6 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.

**Amount (Rs. in Lacs)**

Particulars	On Demand	Past due		Total	Outstanding (Rs. In Lacs)
		Less Than Year	More than Year		0.3
<b>As at 31st March, 2025</b>					
Borrowings	-	10.61	-	10.61	
Trade Payables		21.60	-	21.60	
Other Financial Liabilities		1.42		1.42	
<b>Total</b>	-	<b>33.62</b>	-	<b>33.62</b>	
<b>As at 31st March , 2024</b>					
Borrowings	-	191.61	-	191.61	
Trade Payables		98.32		98.32	
Other Financial Liabilities		1.52		1.52	
<b>Total</b>	-	<b>291.45</b>	-	<b>291.45</b>	

**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.

- xiii) Figures for the previous year are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current year classification / disclosure.
- xiv) Title Deeds of Immovable Property is held in name of the Company and the same is in the Corporate Office.
- xv) The Company does not have any investment property.
- xvi) The Company has not Revalued any of its Property, Plant and Equipment
- xvii) The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMPs and related parties.
- xviii) 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.
- xix) The Company has no borrowings from banks or financial institutions on the basis of security of current assets.
- xx) The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- xxi) In terms of the Hon'ble National Company Law tribunal NCLT, Kolkata Bench (NCLT) Dt: 5th June 2024, the financial creditor i.e., ICICI Bank Limited (the lender) outstanding were settled. Satisfaction of charge at the Ministry of Corporate Affairs, Registrar of Companies, West Bengal is yet to be complied with.
- xxii) Company doesnot have any Holding, Subsidiary or associate .
- xxiii) **Ratio Analysis**

Particulars	Year ended 31-03-2025	Year ended 31-03-2024	Change (%)	Explanation for change in ratios more than 25% as compared to previos year
(a) Current Ratio	3.13	0.07	306%	Refer to note number 24(i) regarding Hon'ble National Company Law tribunal NCLT, Kolkata Bench (NCLT) Dt: 5th June 2024
(b) Debt-Equity Ratio	0.07	(0.66)	72%	
(c) Debt-Service Coverage Ratio	N.A	N.A	N.A	
(d) Return on Equity Ratio (%)	0.87	0.17	70%	
(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 (%)	0.81	0.13	68%	
(k) Return on Investment (%)	N.A	N.A	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 Borrowings	Share holders equity
(c) Debt-Service Coverage Ratio	Profit before depreciation, Interest & Taxes	Interest + Principal repayments (for the next financial year)
(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 Liabilities
(k) Return on Investment (%)	Income generated from investments	Average investments

- xxiv) (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,
- xxv) 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).
- xxvi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xxvii) The Board of Directors has carefully reviewed the financial position of the Company following the successful completion of the Corporate Insolvency Resolution Process (CIRP). The Company has emerged from the resolution process with a restructured financial position and a clear path to profitability. Based on the current financial performance, the successful implementation of the approved resolution plan, and available liquidity, the Board is confident that the Company will continue as a going concern for the foreseeable future, including the next 12 months and beyond. The Company has taken all necessary steps to address its previous financial challenges, and there are no material uncertainties that would cast significant doubt upon its ability to continue operations. The management is committed to executing the business plan and delivering long-term value to shareholders, employees, and other stakeholders. The management is scouting for appropriate business opportunity and once it is available the management would commence the same. The company is expected to start business during the next year. The status of the Company is going concern.

**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: 25055272BMJBDV1688**

**Place: Kolkata**  
**Date: 29.5.2025**

**For and On behalf of the Board of Directors of**  
**Carnation Industries Limited**

**Bhawna Gupta** **Sony Kumari**  
**(Executive Director)** **(Independent Director)**  
**(DIN:10101543)** **(DIN: 09270483)**

**Anamika Gupta** **Parul Rai**  
**(Chief Financial Officer)** **(Company Secretary)**



 [www.carnation.org.in](http://www.carnation.org.in)

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