

Anubrata Gangoly

F.C.A., D.I.S.A., I.P.

16/2, Temple Gardens,

PO & PS: New Alipore, Kolkata-700053

Date- 08.02.2024

To,

The General Manager
Department of Corporate Relations
BSE Ltd.
P. J. Towers, Dalal Street, Fort
Mumbai – 400 001

The Calcutta Stock Exchange Ltd.
7, Lyons Range
Kolkata-700001

Ref : Scrip Code- BSE (530609) and CSE (13067)

Sub: Submission of Unaudited Financial Result for the quarter ended 31st December, 2023 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015)

Respected Sir/Madam,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Unaudited Financial Results for the quarter ended December 31, 2023.

Kindly acknowledgment the receipt of the same and take the same on record.

Thanking You,

Yours Faithfully

For Carnation Industries Limited

Anubrata Gangoly
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Anubrata Gangoly
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ANUBRATA GANGOLY

Insolvency Professional

IBBI : IPA-001/IP-P-02662/22-23/14072

ca.a.gangoly@gmail.com



Independent Auditor's Review Report on Interim Financial Results

To
The Resolution Professional
Carnation Industries Limited
Reg. Office: 9/C, Kumar Para Road,
2nd Floor, Liluah, Howrah-711204

1. We have reviewed the accompanying Statement of Unaudited Ind AS Financial Results of **Carnation Industries Limited** ("the Company under CIRP Process") for the quarter ended December, 2023 and year to date results for the period from 1st April, 2023 to 31st December, 2023 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This statement which is the responsibility of the Company's Management has been approved by the resolution professional appointed under Insolvency and Bankruptcy Code 2016 Vide order dated 12.09.2023 and taken on record by him. This statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under section 133 of Companies Act, 2013 read with relevant Rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. (a) We draw attention to Note 2 of the accompanying statement regarding a petition under section 9 of Insolvency and Bankruptcy code, 2016 filed with Hon'ble NCLT, Kolkata Bench by an operational creditor for initiation of Corporate Insolvency Resolution Process which has since been initiated through order dated 12.09.2023 issued by the Honourable National Company Law Tribunal, Kolkata Bench.
(b) We draw attention to Note No. 5 of the Statement regarding charging/ writing off of Trade Receivables (export sales) made in earlier years amounting to Rs. 1751.59 Lacs which was due from a related party for more than 5 years, the necessary permission in respect of write off debts in books from appropriate authorities are yet to be obtained.
(c) We draw attention to note no. 6 of the statement regarding review of the claim lodged with General manager, ECGC, Kolkata.
(d) We draw attention to Note no. 7 of the statement regarding the balances of Security Deposits, Loans and Advances, Trade payable which are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any.
(e) We draw attention to Note 8 of the accompanying statement regarding recalling of credit facility by the lending bank and non-provisioning of interest amount on credit facility and dues



of Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006.

(g) We draw attention to Note 9 of the accompanying statement regarding penalty imposed by Securities and Exchange Board of India u/s 23E of Securities Contract Regulation Act, 1956 and Section 15HB of SEBI Act, 1992.

(h) We draw attention to Note 10 of the accompanying statement regarding demand raised by Customs authority

(i) We draw attention to Note 12 of the accompanying statement regarding pending marking off compliance in respect of overseas bills.

(j) As stated in note no.15 of the Statement, the Statement is prepared on Going Concern basis by the Management. The Company has accumulated losses of Rs. 1496.46 Lacs leading to negative net worth of Rs. 275.47 Lacs as at 31st December, 2023, which has resulted in complete erosion of the net worth of the Company. The Company's current liabilities exceeds its current assets by Rs. 345.34 Lacs as at 31st December, 2023 which exhibits the going concern basis adopted is vitiated.

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

5. Based on our review conducted as mentioned in paragraph 3 above and subject to the possible effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind As") specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed or that it contains any material misstatement.

Place: Kolkata
Date: 8th February, 2024.



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

Manoj Keshan

Partner: Manoj K. Keshan
Membership No. 055272
UDIN: 24055272BKBPPR8913

CARNATION INDUSTRIES LIMITED

Regd. Office : 9/C, Kumar Para Road, 2nd Floor, Liluah, Howrah - 711204

CIN:L27209WB1983PLCO35920

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

Statement of Unaudited Financial Results for the Quarter and Nine months ended 31st December, 2023

SL. No.	Particulars	Quarter -Ended			Nine Months Ended		(Rs. in lakhs)
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	Year - Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A. CONTINUING OPERATIONS							
1. Income							
a) Revenue From Operations							
b) Other Income	-	-	0.11		3.27		3.22
Total Income	-	-	0.11	-	3.27		3.22
2. Expenses							
a) Cost of materials consumed	-	-	-	-			
b) Cost of Goods Traded	-	-	-	-			
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-			
d) Employee benefits expense	-	1.81	5.40	4.60	16.13		19.90
e) Finance costs	0.00	5.57	7.20	11.20	17.12		23.27
f) Depreciation and amortisation expense	0.42	0.42	0.42	1.25	1.24		1.64
g) Other expenses	2.55	3.67	6.84	14.69	25.96		31.59
Total Expenses	2.98	11.46	19.86	31.74	60.45		76.41
3. Profit/(Loss) before exceptional items and tax (1-2)	(2.98)	(11.46)	(19.75)	(31.74)	(57.18)		(73.20)
4. Exceptional Items	-	-	-	-	-		-
5. Profit/(Loss) before tax (3-4)	(2.98)	(11.46)	(19.75)	(31.74)	(57.18)		(73.20)
6. Tax Expense:	0.24	(0.06)	(0.65)	2.60	1.47		17.39
7. Profit/(Loss) for the period from continuing operations (5±6)	(3.22)	(11.40)	(19.10)	(34.34)	(58.65)		(90.58)
B. DISCONTINUED OPERATIONS							
8. Profit/ (Loss) for the period from discontinued operations (before tax)	-	-	-	-	(4.60)		(31.43)
9. Less: Tax expenses of discontinued operations	-	-	-	-	-		-
10. Post- tax Profit/ (Loss) for the period from discontinued operations	-	-	-	-	(4.60)		(31.43)
11. Net Profit from total operations (7+10)	(3.22)	(11.40)	(19.10)	(34.34)	(63.25)		(122.01)
12. Other Comprehensive Income							
A. (i) Items that will not be reclassified to profit or loss	-	-	-	-	-		1.94
(ii) Income tax relating to above items	-	-	-	-	-		(0.51)
Total other comprehensive income/ (loss), net of tax							1.44
13. Total Comprehensive Income for the period (11 ± 12)	(3.22)	(11.40)	(19.10)	(34.34)	(63.25)		(120.58)
14. Equity Share Capital							345.72
15. Other Equity							(586.86)
16. Earnings per Share (of Rs. 10/-each) (for continuing operations)							
a) Basic	(0.09)	(0.33)	(0.55)	(0.99)	(1.70)		(2.62)
b) Diluted	(0.09)	(0.33)	(0.55)	(0.99)	(1.70)		(2.62)
17. Earnings per Share (of Rs. 10/-each) (for discontinued operations)							
a) Basic	-	-	-	-	(0.13)		(0.91)
b) Diluted	-	-	-	-	(0.13)		(0.91)
18. Earnings per Share (of Rs. 10/-each) (total)							
a) Basic	(0.09)	(0.33)	(0.55)	(0.99)	(1.83)		(3.53)
b) Diluted	(0.09)	(0.33)	(0.55)	(0.99)	(1.83)		(3.53)



Anubrata Gangoly Digitally signed by Anubrata Gangoly
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CARNATION INDUSTRIES LIMITED

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

CIN:L27209WB1983PLC035920

Email: info@carnationindustries.com

Website :www.carnationindustries.com

Notes:-

1. The Unaudited Financial Results were reviewed and approved by the Resolution Professional appointed by Honourable National Company Law Tribunal, Kolkata Bench (Court-II) Kolkata through its order dated 12/09/2023.
2. One of the unsecured Creditor has filed application before National Company Law Tribunal (NCLT) – Kolkata Bench, U/S 9 of Insolvency and Bankruptcy Code 2016 to whom a sum of Rs.6.64 Lacs is due. Honourable National Company Law Tribunal, Kolkata Bench (Court-II) Kolkata through its order dated 12/9/2023 has appointed Mr. Anubrata Gangoly as Resolution Professional.
3. Figures for the previous period are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current year classification / disclosure.
4. The Company had been engaged in the business of manufacturing of Castings and M.S. Products (Fabricated Steel) but has discontinued its manufacturing operations since December, 2020 quarter. The product as manufactured hitherto were subject to the same risk and returns and hence constituted one primary segment. The analysis of geographical segments was based on the areas in which the Company operated.
5. Trade Receivable from a foreign Debtor/Customer (related party) amounting to Rs. 1751.59 Lacs which was outstanding for more than 5 years was written off during the financial year 2020-21 as the said party is in the course of filing insolvency and bankruptcy proceeding in its resident country. The necessary approvals for write off from the appropriate authorities are yet to be obtained and the company is in the process of filing application for getting the same.
6. Trade receivable represents Overdue Export proceeds amounting to Rs. 26.83 Lacs from a customer against whom company had filed ECGC Claim. The claim was rejected by Kolkata Branch of ECGC against which company has filed a review letter to The General Manager ECGC Kolkata which is pending. Pending the resolution of the matter Company has made 100% provision against such debt.
7. Balances of Security Deposits, Loans and Advances, Trade payable are subject to confirmation from the respective parties and consequential reconciliation/ adjustment arising there from, if any.
8. The Company had availed Credit facility (Loan against Property) from ICICI Bank. ICICI Bank vide its letter dated 13th April, 2023 has recalled the credit facility and served notice under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement Security Interest Act (SERFAESI), 2002 vide letter dated 10th May, 2023 and informed that the debt has been classified as Non-performing Asset on 10/03/2023. Accordingly, Company has disclosed the credit facility under current liability.



As stated vide Note 2 that the Company has been admitted under Corporate Insolvency Resolution Process (CIRP) on and with effect from Dt:12/09/2023, subsequent to this date the moratorium under section 14 of the Insolvency & Bankruptcy Code, 2016 has been imposed by the Hon'ble NCLT, Kolkata Bench in terms of the provisions of the Code. Accordingly, the liability of all the creditors of the Company stand frozen as on the Insolvency Commencement Date in terms of the provisions of the Code. Accordingly, the interest application on the above credit facility as well as interest application on the Unsecured Outstanding dues of MSME creditor has not been provided post 12/09/2023 as the Company is under CIRP process in terms of the provisions of the Code.

However, had the interest on credit facility obtained from bank and the interest on unsecured outstanding dues of MSME been accounted for the Loss would have been higher by Rs.4.28 lacs & Rs. 1.50 lacs respectively and the Reserves and Surplus balance would have been lower by equivalent amount.

9. The Company was served with adjudication order dated 26.08.2022 wherein penalty was imposed by Securities and Exchange Board of India u/s 23E of SCRA, 1956 & Section 15HB of SEBI Act, 1992 for Rs. 5 Lacs on company and Rs. 1 Lacs on each of the officers of the company. The Company has filed an appeal before The Securities Appellate Tribunal, Mumbai in December 2022 and the matter remains sub-judice. Pending the outcome of the matter the penalty has not been accounted for /recognised in the books of accounts but disclosed as contingent liability. The Bank Accounts of the Company were attached by SEBI during the quarter ended on 30th September 2023. During the Quarter under review, SEBI has recovered Rs.2205.59p from one of its Bank account which has been accounted for as Other Current Assets in the Books of Accounts.
10. The Company had received demand of Rs. 73.92 Lacs from Customs authorities against which company had filed an appeal before The Commissioner of Customs (Appeal), Kolkata on 10th January,2023 and the matter remains sub-judice. Pending the outcome of the matter the said demand is not accounted for/recognised in the books of accounts but disclosed as contingent liability.
11. The Company had filed an appeal pertaining to Financial Year 2007-2008 before The West Bengal Commercial Taxes Appellate and Revisional Board against the order passed by the Joint Commissioner of Sales Tax, Kolkata (South) Circle, rejecting the total claim of Input Tax Credit (ITC) for that year and simultaneously have raised demand for Rs.100.13 lacs. The revision petition as well the appeal is pending. However on the basis of internal evaluation and discussion with the legal consultant of the company, it is decided that the claim of refundable amount in the books amounting to Rs. 160.44 Lacs including refundable amount adjusted from F.Y. 2013-14 and F.Y. 2015-16 aggregating to Rs. 77.20 Lacs be adjusted/written off in the books and the same has been accounted for in the preceding financial year, even though the company continues to defend the demand raised against it.
12. Since long the EDPMS portal was reflecting a large number of overseas Bills outstanding which had been either paid or settled with the ECGC claim. The Company put in a lot of efforts with the Banks to have the situation corrected and certified by the Bank. As on 31/12/23 bills aggregating to Rs.130.76 lacs still continues to appear as pending with State Bank of India and efforts are being made to have those cleared up.



13. Disclosures regarding claim received by Resolution Professional

There are several claims made by the creditors on the Company. The detailed disclosures about such claims are as follows:

(Amount in Rupees)

Name of Creditor	Amount Claimed	Amount Admitted	Amount as per Financial Statements
Oswal Mineral Ltd	363448.00	363448.00	358971.00
Calcutta Stock Exchange	29500.00	29500.00	29500.00
Zeal Advertising Pvt Ltd	14700.00	14700.00	14419.00
Jain Saraogi & Co. LLP	238600.00	238600.00	238600.00
ICICI Bank Ltd	17604204.00	17604204.00	16974500.00
BSE Ltd	522740.00	522740.00	351000.00
Circular Mansion Unit Owners Association	210855.00	210855.00	210855.00
Tarun Hati	24081.00	24081.00	24081.00
Tapas Kumar Roy	109890.00	109890.00	109890.00
Somnath Pradhan	102750.00	102750.00	102750.00
Ravindra Prakash Sehgal	2186215.00	2186215.00	2186215.00
Lalji Enterprise	1200000.00	1200000.00	663961.56
Sani Gopal Roy	81900.00	81900.00	81900.00

14. Discontinuing operation

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

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



plant and equipment for which agreement was entered into concluded during the quarter ended 31.03.2021.

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

Analysis of Profit/ (Loss) - Discontinued Operations (Rs. In Lakhs)

(A) Profit/(Loss) - Discontinued Operations							(Rs. in lakhs)
SL. No.	Particulars	Quarter -Ended			Nine Months Ended		Year Ended
		31.12.23	30.09.23	31.12.22	31.12.23	31.12.22	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Total Income	-	-	-	-	-	-
2.	Total Expenses	-	-	-	-	4.60	31.43
3.	Profit/(Loss) before exceptional items and tax (1-2)	-	-	-	-	(4.60)	(31.43)
4.	Exceptional Items	-	-	-	-	-	-
5.	Profit/(Loss) before tax (3-4)	-	-	-	-	(4.60)	(31.43)
6.	Tax Expense:	-	-	-	-	-	-
7.	Net Profit after tax (5-6)	-	-	-	-	(4.60)	(31.43)

15. The financial results continue to be prepared on a going concern basis.

Place: Kolkata
Date: 08.02.2024



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ANUBRATA GANGOLY
F.C.A., D.I.S.A., I.P.
Resolution Professional
Carnation Industries Limited