

CARNATION INDUSTRIES LIMITED

CIN NO. L27209WB1983PLC035920

Regd. Office: 28/1, Jheel Road, Liluah, P.O. Salkia, Howrah – 711 106

Phone: 033-2287-8229, 2280-3127 Fax No.033-2287-9938

Website: www.carnationindustries.com, e-mail: evoting@carnationindustries.com

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that pursuant to the applicable provisions of the Companies Act, 2013, and applicable rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Secretarial Standards - 2 (the “SS-2”) and other applicable laws and regulations, that an Extraordinary General Meeting (“EGM” or “Meeting”) of the Members of Carnation Industries Limited (hereinafter referred to as “Company”) will be held on **Thursday, April 25, 2019 at the Registered Office of the Company at 28/1, Jheel Road, Liluah, P.O. Salkia, Howrah – 711 106 at 10.00 a.m.** to transact the following business:

SPECIAL BUSINESS:

Sale of Assets of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and

necessary, consent be and is hereby accorded to dispose of the whole, or substantially the whole of the assets of the Company including and not limited to Uluberia Unit of the Company situated at Mauza Rauta, Kaijuri, J.L. 66, Uluberia, Howrah - 711316 for such consideration and on such terms and conditions as the Board of Directors of the Company consider beneficial to the Company.

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

By Order of the Board of Directors

Place : Kolkata
Date : 28.03.2019

Sanjay Agarwal
Company Secretary
M.No: A 15785

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and such proxy need not be a member of the Company. Proxy forms in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the commencement of the meeting. A proxy form is enclosed herewith to be duly completed and signed.**

A person can act as proxy on behalf of member or members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Proxies shall be made available for inspection during twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.

2. Members / Proxies/ Authorized Representatives should bring the attendance slip duly filled in to the meeting. Proxy/Authorized Representative of a member should mark on the Attendance Slip as “Proxy” or “Representative” as the case may be. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID No. for easy identification of attendance at the meeting.
3. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The business set out in the Notice will also be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 13. The Company will also send communication relating to remote e-voting which inter-alia would contain details about User ID and Password along with a copy of this Notice to the members, separately.
5. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company at the Registered Office a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

6. A Statement pursuant to the provisions of Section 102 of the Act and Secretarial Standard on General Meeting (SS-2), relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on all working days, except Saturdays, upto the date of the Meeting.
8. Notice of the Extraordinary General Meeting of the Company interalia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent to all such members whose email IDs are registered with the Company/Depository Participant(s) unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of the Extraordinary General Meeting will also be available on Company's website: www.carnationindustries.com for their download.
9. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the Extraordinary General Meeting (EGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited ("NSDL"). The Board of Directors of the Company has appointed Mr. Raj Kumar Banthia, Company Secretary in Practice, Partner of MKB & Associates, as the Scrutinizer for this purpose for conducting the entire process (including remote e-voting) in a fair and transparent manner.
10.
 - i) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on 18th April, 2019 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot paper at the EGM. A person who is not a member as on the cut off date should treat this Notice for information purpose only.
 - ii) The facility for voting through ballot paper shall be made available at the EGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
11. The members who have cast their vote by remote e-voting prior to the EGM may also attend the EGM but shall not be entitled to cast their vote again.

12. i) The result, along with the scrutinizer's report, will be placed on the Company's website: www.carnationindustries.com and also on the Notice Board of the Company at the Registered Office as well at the Corporate Office and on the website of NSDL immediately after the result is declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited and The Calcutta Stock Exchange Limited where the shares of the Company are listed.

ii) The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company. Those who will become Members of the Company after dispatch of the EGM notice but on or before 18th April, 2019 (cut-off date) may write to NSDL at evoting@nsdl.co.in or to the Company at evoting@carnationindustries.com requesting for e-voting details. However, those members already registered with NSDL for remote e-voting can login to website <https://www.evoting.nsdl.com> and exercise their votes using their existing password.

13. Information and other instructions relating to e-voting are as under:

I. In case of Members who receive the Notice in Electronic Mode:

- (a) Open the e-mail and the PDF file viz. 'CIL e-voting.pdf' with your Client ID No. (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
- (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com> and click on 'Shareholder – Login'.
- (c) Insert user ID and password as initial password stated in (a) above. Click on 'Login'.
- (d) Password change menu appears. Change the password with a new password of your choice with minimum eight digits / characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
- (e) Home page of remote e-voting opens. Click on 'e-voting: Active Voting Cycles' and select the Electronic Voting Event Number (EVEN) of CARNATION INDUSTRIES LIMITED for casting your votes.
- (f) Now you are ready for remote e-voting as 'Cast Vote' page opens.
- (g) Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted. Upon confirmation, your vote is cast and you will not be allowed to change your vote.

- (h) Thereafter the message ‘Vote cast successfully’ will be displayed.
- (i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF/JPG format) of the relevant Board Resolution / appropriate authorization to the Scrutinizer through e-mail: scrutinizermkb@gmail.com with a copy marked to NSDL’s e-mail: evoting@nsdl.co.in

II. In case of Members who receive the Notice by Post:

- (a) User ID and initial password is provided in the admission slip for the EGM.
- (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (I) above, to cast your vote.

III. Members already registered with NSDL for remote e-voting can use their existing user ID and Password for Login. Thereafter, please follow the steps from Sl. Nos. (e) to (i) mentioned in (I) above, to cast your vote.

IV. Those who became Members of the Company after dispatch of the EGM Notice but on or before April 18, 2019 (cut-off date) may write to NSDL at evoting@nsdl.co.in or to the Company at evoting@carnationindustries.com requesting for user ID and Password. On receipt of User ID and Password, the steps from Sl. Nos. (b) to (i) mentioned in (I) above should be followed for casting of vote. However, those Members already registered with NSDL for remote e-voting can use their existing user ID and password for Login.

V. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL’s e-voting website www.evoting.nsdl.com or call toll free no. 1800-222-990. You may also send your queries to the e-mail: evoting@carnationindustries.com

VI. The period for remote e-voting starts at 9.00 a.m. on Monday 22nd April, 2019 and ends at 5.00 p.m. on Wednesday, 24th April, 2019. Remote e-voting will be blocked by NSDL at 5.00 p.m. on 24th April, 2019.

- 14. The Route map of the venue of EGM is annexed and forms a part of this notice. Prominent Landmark is also marked therein for reference.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The Company presently engaged in the business of manufacture of Castings and M S Products.

The Board in its meeting held on 12.11.2018 had carried out a comprehensive review of the ongoing business operations of the Company and the financial crisis and challenges facing the management in running the business and the operations of the Company. The Board is of the opinion that the Company is in need of funds for reducing its debt burden which is increasing day by day.

The Company had earlier sought approval of the shareholders of the Company by postal ballot for slump sale of “Uluberia Unit and / or Warehouse” of the Company situated at Mauza Rauta, Kaijuri, J.L. 66, Uluberia, Howrah - 711316 and 28/1 Jheel Road, Howrah 711 106. Due to adverse market conditions, the Company in partial modification of the earlier resolution passed by the shareholders by postal ballot on 26th December, 2018, is now seeking approval of shareholders of the Company by special resolution to sell the assets of the Company including and not limited to Uluberia Unit of the Company situated at Mauza Rauta, Kaijuri, J.L. 66, Uluberia, Howrah - 711316, by any mode.

The Business is operating under challenging environment due to various factors as high cost of raw material /supplies, high Interest Cost and the banks reducing the borrowing powers and then stopping abruptly funding of the working capital are the factors that have led to the recent negative performance of the Company. This is the reason that had led the Company to take the decision of the slump sale to raise funds to restructure the finance of the Company. The Board of Directors, after evaluating the feasibility of various options, have decided to recommend for your approval sale of assets of the Company including and not limited to Uluberia Unit of the Company. This will enable the Company to come out of the severe financial crisis facing the Company.

Section 180(1)(a) of the Companies Act, 2013 (‘the Act’) provides that the Board of Directors of a Company shall not except with the consent of the Members by way of a special resolution through postal ballot, sell, lease, transfer, assign or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company.

The resolution in the accompanying notice is proposed to seek Members’ approval through special resolution.

The Board is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence recommends the Special Resolution for your approval.

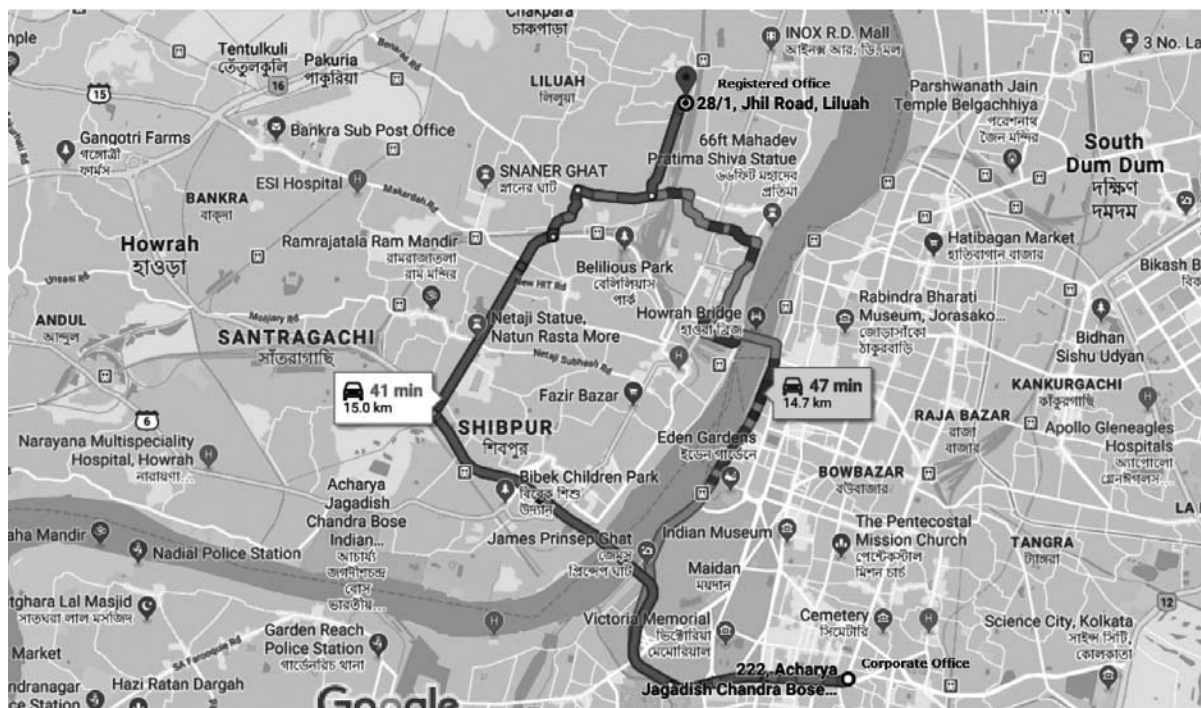
None of the Directors / Key Managerial Personnel/Managers of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding / directorship, if any.

By Order of the Board of Directors

Sanjay Agarwal
Company Secretary
M.No: A 15785

Place : Kolkata
Date : 28.03.2019

Route Map to the venue of the EGM



Corporate Office: 222, A J C Bose Road, Kolkata
Registered Office: 28/1, Jheel Road, Howrah