

Works : KANGANWAL ROAD, V.P.O. JUGIANA,
G.T. ROAD, LUDHIANA-141120 (INDIA)
Fax : +91-161-2512285
E-mail : gargfurnace@yahoo.com
CIN No. : L99999PB1973PLC003385
GSTIN, : 03AAACG8307R1ZD



**GARG
FURNACE LTD.**

To,

September 07th, 2024

The Corporate Relationship Department
BSE Limited,
25th Floor, Phiroze Jeejeebhoy
Towers, Dalal Street,
Mumbai - 400 001

Scrip Code: 530615

Subject: Submission of Annual Report for the Financial Year 2023-2024 of "Garg Furnace Limited"

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting herewith the Annual Report of the Company for the Financial year ended 31st March, 2024 together with Notice convening of 51st Annual General Meeting (AGM) of the Company scheduled to be held on Monday, 30th day of September, 2024 at 01:00 P.M at the Registered Office of the Company at Kanganwal Road, V.P.O Jugiana, G.T Road, Ludhiana-141120 (Punjab).

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the 51st AGM and the Annual Report of the Company for the financial year 2023-2024 is being sent through electronic mode to all the Members of the Company whose email addresses are registered with the Company/Company's Registrar and Transfer Agent i.e. Skyline Financials Services Private Limited/ Depository Participant(s).

The Annual Report for the financial year 2023-2024 including the Notice convening the 51st AGM is also available on the website of the Company at <http://www.gargfurnacelimited.com>

You are requested to take the above mentioned information on your records.

Thanking You,

Yours Faithfully,

For Garg Furnace Limited

Devinder Garg
Managing Director
DIN: 01665456

GARG
FURNACE LIMITED

ANNUAL REPORT

2024

CONTACT US
98557-00080
gargtoshak@gmail.com
www.gargfurnacelimited.com



GARG

FURNACE LIMITED

BOARD OF DIRECTORS

DIRECTORS (PROMOTERS) : Mr. Devinder Garg (Chairman and Managing Director)
Mrs. Vaneera Garg (Women, Executive Director)
Mr. Toshak Garg (Managing Director appointed w.e.f. 14.08.2023)

DIRECTORS INDEPENDENT : Mrs. Amandeep Kaur (Appointed w.e.f. 31.03.2023)
Mrs. Jyoti Batra ((Resigned w.e.f. 23.07.2024)
Mr. Dharam Chand (Resigned w.e.f. 30.05.2023)
Ms. Purti Katyal (Appointed w.e.f. 14.08.2023)
Mrs. Shruti Gupta (Appointed w.e.f. 23.07.2024)

STATUTORY AUDITOR : M/s. Ashwani & Associates
19-A, Block-B, Udham Singh Nagar, Tagore Nagar,
Ludhiana, Punjab 141001

COST AUDITOR : Anju Pardesi
H No 149A, Block A, G.K. Estate, Bhamian Khurd,
Near Ansal Enclave, Ludhiana-Punjab-141015.

SECRETARIAL AUDITOR : PDM & Associates
H. No. 83, New Sant Fateh Singh Nagar, Dugri Road,
Ludhiana - Punjab.

BANKERS : HDFC BANK

REGISTERED OFFICE
& WORK : Kanganwal Road, V.P.O. Jugiana,
G.T. Road, Ludhiana-141120

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WHAT WE DO



RAW MATERIAL
SCRAP

FURNACE
MELTING



CCM
CASTING

ROLLING MILL
ROUND BARS
& WIRE ROD



NOTICE

Notice is hereby given that the 51st Annual General Meeting of the members of the Company will be held on Monday, the 30th day of September, 2024 at 01:00 P.M. at the Registered office at Kanganwal Road V.P.O. Jugiana G.T. Road, Ludhiana- 141120 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2024 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Sh. Devinder Garg (DIN: 01665456), who retires from office by rotation and being eligible, offers himself for re appointment.



SPECIAL BUSINESS:

3. Re-appointment of Cost Auditors of the Company.

To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of INR. 20,000.00 (Rupees Twenty Thousand Only) plus out-of-pocket expenses payable to M/s. Anju Pardesi, Cost Accountants (Firm's Registration No. 003448) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31st March, 2025."

4. To appoint Mrs. Shruti Gupta (DIN: 10310259), as an Independent Director of the Company and in this regard To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and

Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), on the basis of the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, respectively and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, Mrs. Shruti Gupta (DIN: 10310259), who was appointed as an Additional Director (Non-Executive Independent) of the Company with effect from July 23, 2024, pursuant to Section 161 of the Act and Articles of Association of the Company and who has submitted a declaration that she meets the criteria of Independence as provided under the Act and the Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from July 23, 2024 upto July 22, 2029, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To Invest the Surplus funds of the Company and to consider and if thought fit, to pass with or without modification(s), 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 (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, shall not exceed a sum of Rs. 100 Crores (Rupees Hundred Crores) 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 prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are 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.”

6. To approve Material Related Party Transactions of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary 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, as amended from time to time, (“Listing Regulations”), the other applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or amendment (s) or re-enactment(s) thereof, for the time being in force), the Company’s policy on Related Party transaction(s), and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is

hereby accorded to the Company to enter/ continue to enter into Material Related Party Transaction(s) /Contract(s) /Arrangement(s) /Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with entities falling within the definition of ‘Related Party’ under Regulation 2(1)(zb) of the Listing Regulations and any other applicable regulations if any to transactions the details of which are more particularly set out in the explanatory statement of this Notice, provided however that the aggregate amount / value of all such arrangements/ transactions contracts that to be entered into by the Company with the Related Party and remaining outstanding at any one point in time shall not exceed the limits mentioned below, during the financial year 2024-2025, on such terms and conditions as may be considered appropriate by the Board of Directors of the Company, provided that the said contract(s)/ arrangement(s) / transaction (s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

Name of Related Party and Nature of Relationship	Type of Transaction(s)	Value of Transactions (Rs. in crore) and Tenure of Transactions
Vaneera Industries Private Limited (Promoter Group Company)	Purchase of Goods Purchase of Shares Sales of Goods Rent Received Lease of Machinery	Aggregate value of transactions for the financial year 2024-2025 should not exceed Rs. 100.00 crore.
Devinder Garg (Managing Director and Promoter)	Remuneration Unsecured Loan Received	Aggregate value of transactions for the financial year 2024-2025 should not exceed Rs. 1.00 crore.
Vaneera Garg (Wholetime Director and Promoter)	Remuneration Unsecured Loan Received	Aggregate value of transactions for the financial year 2024-2025 should not exceed Rs. 1.00 crore.
Toshak Garg (Managing Director and Promoter)	Remuneration Unsecured Loan Received	Aggregate value of transactions for the financial year 2024-2025 should not exceed Rs. 1.00 crore.

"RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) 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 contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/ regulatory authorities, as applicable, 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 the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

7. ALTERATION IN THE OBJECT CLAUSE OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of the sections 4, 13 and 15 and other applicable provisions, if any, of the Act read with Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and subject to the necessary approval(s) required under all other applicable laws and regulations, if any, consent of the members be and is hereby accorded to append the following the sub-clause (6) after sub-clause (5) of Clause III (A) of Memorandum of Association of the Company

"6. To carry on the business of manufacturing, trading, processing, importing, exporting or otherwise of fasteners, screws, forging peeling and Machining and Power production in india or outside the India."

RESOLVED FURTHER THAT Sh. Devinder Garg, Managing Director or Smt. Vaneera Garg, Whole Time Director of the Company, be and is hereby authorized severally or jointly to take necessary steps to obtain confirmation of concerned Registrar of Companies, Ministry of Corporate Affairs under Section 13(9) of the Companies Act, 2013 in respect of the aforesaid alteration of Clause III of the Memorandum of Association and to agree to such modifications, terms & conditions in the new proposed sub clause as may be directed by the Registrar of Companies and to modify the same accordingly.

RESOLVED FURTHER THAT the Board of



Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, desirable, expedient and necessary to give effect to this Resolution."

8. Revision in remuneration of Mr. Devinder Garg, (DIN: 01665456) Managing Director of the company: To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at 50th Annual General Meeting held on 22nd December, 2023 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other applicable provisions of the Act including any amendment(s), statutory modification(s) or reenactment(s) thereof for the time being in force and based on the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the members be and is hereby accorded for revision in remuneration of Mr. Devinder Garg (DIN : 01665456), Managing Director, with effect from 1st October, 2024 for the remaining period of his tenure.

"RESOLVED FURTHER THAT the remuneration payable to Mr. Devinder Garg (DIN: 01665456), Managing Director

with effect from 01st October, 2024 shall be as under: Salary: Rs. 2,00,000/- per month with effect from 01st October, 2024 inclusive of all perquisite.

"RESOLVED FURTHER THAT the consent and ratification of the Members of the Company be and is hereby accorded that Mr. Devinder Garg (DIN: 01665456), Managing Director of the Company be paid remuneration by way of Salary, Perquisites and allowances upto a maximum of Rs. 2,00,000/- (Rupees Two Lakhs only) per month as minimum remuneration for the remaining period in case the Company has no profits or its profit are inadequate.

"RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

"RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Mr. Devinder Garg as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

"RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company, as

approved by the resolution passed at the 50th Annual General Meeting of the Company held on 22nd December, 2023 shall remain unchanged.

"RESOLVED FURTHER THAT the Board of Director thereof be and are hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution."

9. Revision in remuneration of Mrs. Vaneera Garg, (DIN: 01283990) Wholetime Director of the company: To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at 50th Annual General Meeting held on 22nd December, 2023 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other applicable provisions of the Act including any amendment(s), statutory modification (s) or reenactment(s) thereof for the time being in force and based on the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the members be and is hereby accorded for revision in remuneration of Mrs. Vaneera Garg (DIN : 01283990), Wholetime Director, with

effect from 1st October, 2024 for the remaining period of his tenure.

"RESOLVED FURTHER THAT the remuneration payable to Mrs. Vaneera Garg (DIN: 01283990), Wholetime Director with effect from 01st October, 2024 shall be as under: Salary: Rs. 1,50,000/- per month with effect from 01st October, 2022 inclusive of all perquisite.

"RESOLVED FURTHER THAT the consent and ratification of the Members of the Company be and is hereby accorded that Mrs. Vaneera Garg (DIN: 01283990), Wholetime Director of the Company be paid remuneration by way of Salary, Perquisites and allowances upto a maximum of Rs. 1,50,000/- (Rupees One Lakh and Fifty Thousand only) per month as minimum remuneration for the remaining period in case the Company has no profits or its profit are inadequate.

"RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

"RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Mrs. Vaneera Garg as Wholetime Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

"RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of her appointment as Wholetime Director of the Company, as approved by the resolution passed at the 50th Annual General Meeting of the Company held on 22nd December, 2023 shall remain unchanged.

"RESOLVED FURTHER THAT the Board of Director thereof be and are hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution."

10. Revision in remuneration of Mr. Toshak Garg, (DIN: 03503511) Managing Director of the company: To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at 50th Annual General Meeting held on 22nd December, 2023 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other applicable provisions of the Act including any amendment(s), statutory modification(s) or reenactment(s) thereof for the time

being in force and based on the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the members be and is hereby accorded for revision in remuneration of Mr. Toshak Garg (DIN : 03503511), Managing Director, with effect from 1st October, 2024 for the remaining period of his tenure.

"RESOLVED FURTHER THAT the remuneration payable to Mr. Toshak Garg (DIN: 03503511), Wholetime Director with effect from 01st October, 2024 shall be as under: Salary: Rs. 1,50,000/- per month with effect from 01st October, 2022 inclusive of all perquisite.

"RESOLVED FURTHER THAT the consent and ratification of the Members of the Company be and is hereby accorded that Mr. Toshak Garg (DIN: 03503511), Managing Director of the Company be paid remuneration by way of Salary, Perquisites and allowances upto a maximum of Rs. 1,50,000/- (Rupees One Lakh and Fifty Thousand only) per month as minimum remuneration for the remaining period in case the Company has no profits or its profit are inadequate.

"RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

"RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Mr. Toshak Garg as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

"RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company, as approved by the resolution passed at the 50th Annual General Meeting of the Company held on 22nd December, 2023 shall remain unchanged.

"RESOLVED FURTHER THAT the Board of Director thereof be and are hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution."

ITEM NO. 11

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and all

other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder as may be amended, from time to time and Articles of Association of the Company including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to borrow moneys, from time to time as they may think fit, any sum or sums of money not exceeding Rs. 100 Crore (Rupees One Hundred Crore Only) [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured, if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever on over or in any respect and all or any company assets whether moveable or immovable, notwithstanding that the money so borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of the Company, its free reserves and securities premium.

RESOLVED FURTHER THAT for the purpose of giving effect to the above

Resolution, the Board of Directors of the Company be and is hereby authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary, proper, expedient and/or incidental in that behalf."

ITEM NO. 12

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder as may be amended, from time to time and Articles of Association of the Company including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to create charge, pledge, mortgage and/or hypothecate and to sell, lease or

otherwise dispose off all or any part of the moveable or immovable assets 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 assets 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. 100 crores (Rupees One Hundred Crores only) for the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary, proper, expedient and/or incidental in that behalf."

For and behalf of the Board for Garg Furnace Limited

Place : Ludhiana
Date : 7.09.2024

Devinder Garg
Chairman & Managing Director
(DIN 01665466)

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED, DULY COMPLETED AND SIGNED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.

- b) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special business under Item Nos. 3 to 12, is annexed hereto.
- c) In terms of the provisions of Section 152 of the Companies Act, 2013, Sh. Devinder Garg (DIN: 01665466), Director of the Company retires by rotation at ensuing Annual General Meeting and offered herself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his respective reappointment.
- d) The relevant details of Directors seeking appointments/re-appointment under Item Nos. 2, 4, 8, 9 and 10, as required by regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ("Listing Regulations") as amended from time to time and Secretarial Standards 2 on General Meeting issued by the Institute of Company Secretaries of India, is also annexed.
- e) The Register of Members and Share Transfer books of the Company will remain closed from Tuesday, 24th September, 2024 and ends on Monday, 30th September, 2024 (both days inclusive).
- f) Shareholders holding shares in the physical form are requested to notify any change

in their address/mandate/ bank details / e-mail address to, the Registrars and Transfer Agents, to facilitate better services.

- g) Members are requested to register their e-mail addresses with the Company / Depository Participant to enable us to send you the Report and Accounts, Notices etc. in electronic mode, as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India.
- h) SEBI vide its circular ref no. MRD/DoP/ Cir-05/2009 dated 20.05.2009 has clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/RTA for registration of such transfer of shares irrespective of the amount of such transaction.
- i) All intended transferee(s) are, therefore, requested to furnish a self-certified copy of their PAN Card along with the relevant transfer deed for registration of transfer of shares. Please note that the shares lodged for transfer without self-certified copy of PAN Card of the transferee(s) shall be returned under objection.
- j) Members desirous of any additional information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
- k) Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting
- l) The Company has provided facility of e-voting to its members as prescribed under the Companies Act, 2013. The instructions for e-voting are annexed to this Notice.
- m) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- n) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules issued thereunder will be available for inspection by the members at the Annual General Meeting.
- o) Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20

of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their rights to vote at the 50th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL). The instructions for e-voting are as under:

The voting period begins on Friday, 27th September, 2024 (9.00AM IST) and ends on Sunday, 29th September, 2024 (5.00PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 15th December, 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date Monday, 23rd September, 2024 may follow the same instructions as mentioned above for e-Voting.

CDSL e-Voting System – For e-voting.

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Friday, 23rd September, 2024 (9.00AM IST) and ends on Sunday, 29th September, 2024 (5.00PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 23rd September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of Shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p>	<p>(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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>(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. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL / NSDL / KARVY / LINK IN TIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>(3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & 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.</p>

<p>Individual Shareholders holding securities in Demat mode with NDSL Depository</p>	<p>(1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https:// eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>(2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https:// eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>(3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

<p>Individual Share holders (holding securities in demat mode) login through Their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e- Voting period.</p>



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL help desk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL E-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

(1) The shareholders should log on to the e-voting website : www.evotingindia.com.

(2) Click on "Shareholders" module.

(3) Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(4) Next enter the Image Verification as displayed and Click on Login.

(5) If you are holding shares in demat form and had logged on to

www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>.Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>.If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</p>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant GARG FURNACE LIMITED on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that

- you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
 - (xvii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be de link in case of any wrong mapping.
 -
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 -
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; gargfurnace@yahoo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like 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 Company / RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

For and behalf of the Board
for Garg Furnace Limited

Place : Ludhiana
Date : 7.09.2024

Devinder Garg
Chairman & Managing Director
(DIN 01665466)

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ("Listing Regulations") as amended from time to time and Secretarial Standards 2 on General Meeting issued by the Institute of Company Secretaries of India, the following Explanatory Statement sets out all material facts relating to the Special business mentioned under respective 3 to 12 Items of the accompanying Notice dated 7th September, 2024:-

Item No.: 3

The Company is required under Section 148 of the Act to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration M/s Anju Pardesi, Cost Accountants (Firm's Registration No.: 003448) of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31 March, 2025, at a remuneration of Rs. 20000.00 plus reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31 March, 2025.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the resolution set forth in Item No. 3 for the approval of the Members.

Item No. 4

The Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company has approved the appointment of Mrs. Shruti Gupta (DIN: 10310259), as an Additional Director under the category of Independent Director for a term of 5 years with effect from 23rd July, 2024, subject to the approval of the Members of the Company.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company.

The Company in this context has received consent in writing to act as Director in Form DIR -2 and an intimation in Form DIR-8, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013 and has not been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI, Ministry of Corporate Affairs or any such other Statutory Authority. The Company has also received declarations from Mrs. Shruti Gupta that she meets the criteria of independence as prescribed under Section 149(6) of the Act, rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations.

The Company has, in terms of Section 160(1) of the Act received in writing, a notice from a Member proposing the candidature of Mrs. Shruti Gupta for the office of Director of the Company.

Mrs. Shruti Gupta, aged about 33 years, graduate in B.B.A. and worked as a Practicing Company Secretary for more than 6 years.

In the opinion of the Board, Mrs. Shruti Gupta fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mrs. Amandeep Kaur is a person of integrity and independent of the Management and possesses appropriate skills, experience and knowledge. Considering the extensive knowledge and experience of Mrs. Shruti Gupta in the field of Administration, appointment of Mrs. Shruti Gupta as an Independent Director is in the interest of the Company.

Mrs. Shruti Gupta is not inter-se related with any other Director or Key Managerial Personnel of the Company. Also, Mrs. Shruti Gupta does not hold any share in the Company. The copy of the letter of appointment of Mrs. Shruti Gupta setting out the terms and conditions of appointment shall be available for inspection by the members and shall also be available for electronic inspection during business hours.

Considering his vast experience and knowledge, the Board is of the opinion that presence of Mrs. Shruti Gupta on the Board will be of immense value to the Company.

As an Independent Director of the Company, Mrs. Shruti Gupta will not be entitled to sitting fee for attending the meetings of the Board.

Except for Mrs. Shruti Gupta and her relatives, none of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the Special Resolution at Item No. 4 of the notice with regard to her appointment.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 4 of the accompanying Notice for approval by the Members.

Item No. 5

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 whollyowned 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 the normal course of business, 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'.

Accordingly, it is proposed to seek prior approval of Members vide an enabling Resolution to provide loans, guarantees and make investments up to a sum of Rs. 100 Crores (Rupees Hundred Crores) over and above the aggregate of free reserves and securities premium account of the Company at any point of time.

The Board of Directors recommends resolution as set out in item No. 5 for approval of the members of the Company by way of passing a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) is in any way, whether financially or otherwise, concerned or interested, in the said resolution.

Item No. 6

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), all Related Party Transactions will require prior approval of Audit Committee, all Material Related Party Transaction ('RPT') with an aggregate value exceeding Rs. 1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall require approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(zb) definition of related party of the Listing Regulations also covers, any person or entity

forming a part of the promoter or promoter group of the listed entity; or(b) any person or any entity, holding equity shares:(i) of twenty per cent or more; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party. The amended Regulation 2(1)(zc) of the Listing Regulations has also enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

The annual consolidated turnover of the Company for the financial year 2023-24 is INR 25.80 Crores. Accordingly, any transaction(s) by the Company with its related party exceeding INR 2.58 Crores (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members will be required for the same.

The Management has provided the Audit Committee with the relevant details, as required under law, of the proposed RPTs including material terms. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the above-mentioned RPTs with Related Parties. The Committee has noted that the said transactions will be at an arm's length basis and in the ordinary course of business of the Company. Accordingly, basis the approval of the Audit Committee, the Board of Directors recommends the resolution contained in Item No. 6 of the accompanying Notice to the shareholders for approval by the Members..

The ceiling on the amounts of the transactions specified as above would mean the transactions entered into and the remaining outstanding at any point of time.

The Members may note that in terms of the provisions of the Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions under Item No. 6.

None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives is in any way, concerned or interested, financially or otherwise, in the proposed ordinary resolution as set out at Item No. 6 of the notice.

The Board of Directors recommends the passing of Ordinary Resolution set out at Item No. 6 of the accompanying Notice for approval by the Members.

Sl. No.	Description	Details			
1.	Details of Summary of information provided by the management to the Audit Committee				
a.	Name of the related party and its relationship with the listed entity or its subsidiary,	Vaneera Industries Private Limited (Promoter Group Company)	Devinder Garg (Managing Director and Promoter)	Vaneera Garg (Wholetime Director and Promoter)	Toshak Garg (Managing Director and Promoter)
b.	Nature of its concern or interest (financial or otherwise);	Financial	Financial	Financial	Financial
c.	Name of the director or key managerial personnel who is related, if any and nature of relationship	Sh. Daksh Garg and Smt. Nivedita Garg is son and daughter of Sh. Devinder Garg	Managing Director and Promoter of the Company	Wholetime Director and Promoter of the Company	Managing Director and promoter of the Company
d.	Type, material terms, and particulars of contracts or arrangement	The transaction involves Purchase of Goods, Sales of Goods, Rent received and lease of machinery given to related party is charged at prevailing market rates at arm's length basis and in the Ordinary Course of Business.	The transaction involves Remuneration and unsecured loan received are done at prevailing market rates at arm's length basis and in the Ordinary Course of Business.	The transaction involves Remuneration and unsecured loan received are done at prevailing market rates at arm's length basis and in the Ordinary Course of Business.	The transaction involves Remuneration and unsecured loan received are done at prevailing market rates at arm's length basis and in the Ordinary Course of Business.
e.	Tenure of the proposed transaction (particular tenure shall be specified)	Approval is for Financial year 2024-2025	Approval is for Financial year 2024-2025	Approval is for Financial year 2024-2025	Approval is for Financial year 2024-2025
f.	Value of Transaction (Rs. In Crore)	Aggregate value of transactions should not exceed Rs. 100.00 crore.	Aggregate value of transactions should not exceed Rs. 1.00 crore.	Aggregate value of transactions should not exceed Rs. 1.00 crore.	Aggregate value of transactions should not exceed Rs. 1.00 crore.
g.	Percentage of annual consolidated turnover of the Company as on	1160% (approx.) of the annual consolidated turnover of the Company.	232% (approx.) of the annual consolidated turnover of the Company.	232% (approx.) of the annual consolidated turnover of the Company.	232% (approx.) of the annual consolidated turnover of

	March 31, 2024, that is represented by proposed RPT				the Company.
2.	Justification for why the proposed transaction is in the interest of the listed entity;	The Related party transactions are at arm's length basis for maximizing the yield on available surplus funds which is in the interest of the Company.	The Related party transactions are at arm's length basis for maximizing the yield on available surplus funds which is in the interest of the Company.	The Related party transactions are at arm's length basis for maximizing the yield on available surplus funds which is in the interest of the Company.	The Related party transactions are at arm's length basis for maximizing the yield on available surplus funds which is in the interest of the Company.
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:				
a.	details of the source of funds in connection with the proposed transaction	Internal Accruals	Not Applicable	Not Applicable	Not Applicable
b.	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c.	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable	Not Applicable	Not Applicable	Not Applicable
d.	the purpose for which the funds will be utilized	The Related party transactions are for working capital needs	Not Applicable	Not Applicable	Not Applicable

	by the ultimate beneficiary of such funds pursuant to the RPT	and general corporate purposes.			
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5.	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.			

Item No. 7

Your Board of Director has to consider from time to time proposals for diversification into areas which would be profitable for the Company as part of diversification Plans. For this purpose, the object Clause of the Company, which is presently restricted in scope, requires to be comprehensive so as to cover a wide range of activities to enable your Company to consider embarking upon new projects and activities.

The alteration in the Objects Clause of the Memorandum of Association as set out in the Resolution is to facilitate diversification. This will enable the company to enlarge the area of operations and carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the company.

The "Main Object" clause of the Memorandum of Association of the Company is being amended by appending the afore-said sub clause (5) after sub clause (5) of clause III (A) of the Memorandum of Association of Company.

The Board of Directors at its meeting held on 2.09.2024 has approved alteration of the

MOA of the Company and the Board of Directors now seek Members' approval for the same.

The draft Copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business Hours till the date of AGM. The Amendment shall be effective upon the registration of the resolution with the Registrar of the Companies. The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

None of the directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolution except to the extent of their shareholding in the Company.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 7 of the accompanying Notice for approval by the Members.

Item No. 8

Mr. Devinder Garg was appointed as Managing Director of the Company w.e.f. August, 14, 2023 for a period of three years at the 50th Annual General Meeting of the Company held on 22nd December, 2023.

Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mr. Devinder Garg, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on 23rd July, 2024, has approved the proposal to increase the remuneration of Mr. Devinder Garg, Managing Director, subject to the approval of shareholders, as set out in the resolution being item no. 8 of the accompanying notice w.e.f. 01st October, 2024 for the remaining period of his tenure i.e. up to 13th August, 2026.

The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration

The aforesaid remuneration will be subject to the limit of 5% of the net profits as laid down under sub-section (3) of Section 197 of the Companies Act, 2013.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Devinder Garg (DIN: 01665456), the Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company as approved by the members of the Company shall remain unchanged.

Brief Profile:

Mr. Devinder Garg, the Chairman of the Company, has nearly four decades of experience in the steel industry. He has been associated with the Company since its nascent stage as promoter and has been part of the growth journey. He is responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company. Besides this, Mr. Devinder Garg is an eminent individual and is part of various organizations like President of Rotary International, Trustee of Ved Mandir, Ludhiana, Devotee of Art of Living.

Except for Mrs. Vaneera Garg and Mr. Toshak Garg and their relatives, none of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the Special Resolution at Item No. 8 of the notice with regard to his appointment.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 8 of the accompanying Notice for approval by the Members.

Item No. 9

Mrs. Vaneera Garg was appointed as Wholetime Director of the Company w.e.f. August, 14, 2023 for a period of three years at the 50th Annual General Meeting of the Company held on 22nd December, 2023.

Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mrs. Vaneera Garg, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on 23rd July, 2024, has approved the proposal to increase the remuneration of Mrs. Vaneera Garg, Wholetime Director, subject to the approval of shareholders, as set out in the resolution being item no. 9 of the accompanying notice w.e.f. 01st October, 2024 for the remaining period of her tenure i.e. up to 13th August, 2026.

The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration

The aforesaid remuneration will be subject to the limit of 5% of the net profits as laid down under sub-section (3) of Section 197 of the Companies Act, 2013.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mrs. Vaneera Garg, the

Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

Except for the aforesaid revision in salary, all other terms and conditions of her appointment as Wholetime Director of the Company as approved by the members of the Company shall remain unchanged.

Brief Profile:

Mrs. Vaneera Garg, the Director of the Company, has been a vital part of the company for the last decade. She is responsible to manage the Human Resources of the firm and overseas the Finance Department. Apart from this she is a Teacher for Art of Living and uses this knowledge to bring about spiritual balance in the company.

Except for Mr. Devinder Garg and Mr. Toshak Garg and their relatives, none of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the Special Resolution at Item No. 9 of the notice with regard to her appointment.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 9 of the accompanying Notice for approval by the Members.

Item No.10

Mr. Toshak Garg was appointed as Managing Director of the Company w.e.f. August, 14, 2023 for a period of three years at the 50th Annual General Meeting of the Company held on 22nd December, 2023.

Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mr. Toshak Garg, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on 23rd July, 2024, has approved the proposal to increase the remuneration of Mr. Toshak Garg, Managing Director, subject to the approval of shareholders, as set out in the resolution being item no. 9 of the accompanying notice w.e.f. 01st October, 2024 for the remaining period of his tenure i.e. up to 13th August, 2026.

The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration

The aforesaid remuneration will be subject to the limit of 5% of the net profits as laid down under sub-section (3) of Section 197 of the Companies Act, 2013.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Toshak Garg, the

Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company as approved by the members of the Company shall remain unchanged.

Brief Profile:

Mr. Toshak Garg, Director of the company, has been a pivotal part of the organisation since 15 years. He is responsible for the Production, Marketing and Finance departments in the firm. Being part of the new generation, his aim is bring in new & fresh ideas to enhance growth. He is committed to the highest standards of operational excellence, safety, and environmental sustainability.

Except for Mrs. Vaneera Garg and Mr. Toshak Garg and their relatives, none of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the Special Resolution at Item No. 10 of the notice with regard to her appointment.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 10 of the accompanying Notice for approval by the Members.

ITEM NO. 11 & 12

As the members are aware, your Company is exploring various opportunities for the growth of the Company. With a view to meet the funds requirements for the above purposes, the Company would be required to borrow funds from time to time by way of loans secured or unsecured and pursuant to Section 180(1)(c) of the Companies Act, 2013, approval of the Shareholder by way of special resolution is required to authorize the Board of Directors of the Company to borrow moneys up to Rs. 100 Crore (Rupees One Hundred Crore Only) [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit.

Further, pursuant to Section 180(1)(a) of the Companies Act, 2013 provides for the power to create charge, pledge, mortgage and/or hypothecate on all or any part of the moveable or immovable assets of the Company and to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting, which authorization does not exceed a sum of Rs. 100 crores (Rupees One Hundred Crores only) for the Company.

None of the Directors and / or Key Managerial Personnel of the Company and

their relatives, in any way, concerned or interested in the said resolution.

The Board recommends the Special Resolutions No. 11 & 12 of the accompanying Notice to the Shareholder for their approval.

For and behalf of the Board
for Garg Furnace Limited

Place : Ludhiana
Date : 7.09.2024

Devinder Garg
Chairman & Managing Director
(DIN 01665456)

ANNEXURE TO THE NOTICE

A brief profile of the Directors to be appointed and re-appointed is given below, along with Information pursuant to the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 seeking re-appointment in AGM.

Name of the Director	Mr. Devinder Garg	Mrs. Shruti Garg
DIN	01665456	10310259
Designation	Chairman and Managing Director	Non-Executive Independent Director
Date of Birth	25/05/1964	26/02/1991
Age	60 years	33 years
Date of Appointment	01/08/2015	23/07/2024
Qualification	B.A.	B.B.A. and CS
Expertise in Specific Area	Mr. Devinder Garg, the Chairman of the Company, has nearly four decades of experience in the steel industry.	Mrs. Shruti Gupta, aged about 33 years graduate in B.B.A Worked as a Practicing Company Secretaries for More than 6 years.
Directorship in other Companies	Nil	Super Fine Knitters Limited
Chairman / Member of committees of other Companies	Nil	Super Fine Knitters Limited 1. Nomination and Remuneration Committee- Chairperson 2. Audit Committee Meeting- Chairperson 3. Stakeholder Relationship Committee Meeting- Chairperson
Remuneration for the Financial Year 2022-2023	Rs. 1,00,000/- (Rupees One Lakh Only) per month	Nil
Remuneration sought to be paid	Rs. 1,00,000/- (Rupees One Lakh Only) per month	Nil
No. of Board Meetings attended during the year	14 out of 14	N.A.
Disclosure of Relationship:	Husband of Mrs. Vaneera Garg Father of Mr. Toshak Garg	Nil

Listed entities from which the person has resigned in the past three years	Nil	Nil
Membership/Chairmanship of the Committees of listed entities from which the person has resigned in the past three years	Nil	Nil

For and behalf of the Board
for Garg Furnace Limited

Place : Ludhiana
Date : 7.09.2024

Devinder Garg
Chairman & Managing Director
(DIN 01665456)

DIRECTORS' REPORT

The Members of
Garg Furnace Limited

The Directors of your company have pleasure in presenting the 51st Annual Report on the affair of the company together with the Audited Accounts for the financial year ending 31st March, 2024.

FINANCIAL RESULTS (Rupees in Lakhs)

	2023-24	2022-23
Operating Income	25935.33	23824.42
Profit before tax & Exceptional items	555.84	593.95
Exceptional Items	0.00	0.00
Profit before tax	555.84	593.95
Provision for tax-Current	0.00	0.00
Tax related to earlier years	0.00	0.00
-Deferred Tax Asset	0.00	0.00
Less: Mat Credit Entitlement	0.00	0.00
Profit after Tax	555.84	593.95
Prior year Tax adjustments / Depreciation to Reverse as per Schedule II	0.00	0.00
Re-measurement of define benefit liability	2.99	2.56
APPROPRIATIONS		
Transfer to General Reserve	0.00	0.00
Balance carried over to Balance Sheet	558.83	596.51

INDIAN ACCOUNTING STANDARDS:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs (MCA) under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

DIVIDEND

The Board of Directors does not recommend payment of dividend for the year under review.

TRANSFER TO RESERVE:

During the year under review, the Company has not transferred any amount to the General Reserve.

SHARE CAPITAL

As on March 31, 2024, the Authorised Share Capital of the Company was Rs.

10,00,00,000/- divided into 1,00,00,000 Equity Shares having face value of Rs. 10/- each. Further as on March 31, 2024, the issued, paid up and subscribed Share capital of the Company stood at Rs. 4,60,87,000/- divided into 46,08,700/- Equity Shares having face value of Rs. 10/- each.

During the year under review, . The Company has issued 28,00,000 convertible warrants out of which 6,00,000 warrants were converted into Equity Shares on 28.03.2024. The Company has allotted 6,00,000 Equity Shares pursuant to conversion of warrants. The Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2024, Sh. Devinder Garg, Managing Director, Sh. Toshak Garg, Managing Director and Smt. Vaneera Garg, Wholetime Director of the Company hold Convertible Warrants into Equity Shares of the Company. Further there was no public issue, rights issue, bonus issue etc. during the year.

OPERATIONS

Detailed information on the operations of the different business lines of the Company and details on the state of affairs of the Company are covered in the Management Discussion and Analysis Report which form an integral part of this Annual Report.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company has been constituted in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board meets at regular intervals to discuss and decide on policy and strategy apart from other business discussions. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) through circulation, as permitted by law, which is confirmed in the subsequent Board Meeting.

There were 14 (Fourteen) meetings of the Board held during the year under review and the dates of the meetings are as follow:

27/04/2023, 30/05/2023, , 07/07/2023, 14/08/2023, 21/08/2023, 07/09/2023, 25/09/2023, 14/11/2023, 30/11/2023, 19/12/2023, 22/12/2023, 14/02/2024, 19/02/2024, and 28/03/2024.

COMMITTEES OF THE BOARD:

The Board has constituted the following committees:

1. AUDIT COMMITTEE

During the year the constitution of the Audit Committee was changed w.ef. 14.08.2023.

Accordingly the Board has inducted Ms. Purti Katyal (Non-Executive Independent Director) as member of the Committee with effect August 14, 2023. Accordingly as on March 31, 2024, the Audit Committee of the Company consists of Ms. Amandeep Kaur (Non-Executive Independent Director) as Chairman, Ms. Purti Katyal (Non-Executive - Independent Director) as Member and Ms. Jyoti Batra (Non-Executive Independent Director) as Member. The Composition and terms of Reference of the Audit Committee is in line with Section 177 of the Companies Act, 2013 and rules made thereunder.

During the year under review, the Audit Committee met on Six (6) occasions viz. 30.05.2023, 14.08.2023, 07.09.2023, 14.11.2023, 30.11.2023 and 14.02.2024. The members of the Committee are the persons with ability to read, understand the Financial Statement. Not more than 120 days lapsed between any two consecutive meetings of the Audit Committee during the year. There has been no instance, where the Board has not accepted any recommendation of the Audit Committee. The necessary quorum was present at all the Meetings.

2. STAKEHOLDERS RELATIONSHIP COMMITTEE

As on March 31, 2024, the Stakeholders Relationship Committee of the Company consists of Ms. Amandeep Kaur (Non-Executive-Independent Director) as Chairperson, Ms. Jyoti Batra (Non-Executive Independent Director) as Member and Ms. Purti Katyal (Non- Executive Independent Director) as Member. The Composition and Terms of Reference of the Stakeholders Relationship Committee are in line with Section 178 of the Companies Act, 2013 and rules made the reunder.

During the year under review, the Stakeholders Relationship Committee met on One (1) occasions viz. 22.12.2023. The necessary quorum was present at all the meetings. No complaints remained unattended/ pending for more than thirty days. The Company has no share transfers/ transmission pending as on 31st March, 2024. Further, no shareholders complaint/ grievance were received under 'SCORES' during the Financial Year 2023-2024.

3. NOMINATION AND REMUNERATION COMMITTEE

During the year, the constitution of the Nomination and Remuneration Committee was changed w.ef. 30.11.2023. Accordingly the Board has inducted Ms. Purti Katyal (Non-Executive Independent Director) as member of the Committee with effect August 14, 2023. Accordingly as on March 31, 2024, the Nomination and Remuneration Committee of the Company consists of Ms. Amandeep Kaur (Non-Executive Independent Director) as Chairman, Ms. Purti Katyal (Non-Executive - Independent Director) as Member and Ms. Jyoti Batra (Non-Executive Independent Director) as Member.. The Composition and terms of Reference of the Nomination and Remuneration Committee are in line with Section 178 of the Companies Act, 2013 and rules made thereunder.

During the year under review, the Nomination and Remuneration Committee met on Four (4) occasions viz. 27.04.2023, 30.05.2023, 14.08.2023 and 30.11.2023. The necessary quorum was present at all the meetings.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on March 31, 2024, the Corporate Social Responsibility Committee of the Company consists of Ms. Amandeep Kaur (Non-Executive Independent Director) as Chairman, Ms. Purti Katyal (Non-Executive - Independent Director) as Member and Ms. Jyoti Batra (Non-Executive Independent Director) as Member. The Composition and terms of Reference of the Corporate Social Responsibility Committee are in line with Section 135 of the Companies Act, 2013 and rules made thereunder.

During the year under review, the Corporate Social Responsibility met on One (1) occasion viz. 14.02.2024. The necessary quorum was present at all the meetings.

CSR Policy

The Board of Directors of the Company has put in place a CSR policy in accordance with the provisions of Section 135 of the Companies Act, 2013. The CSR Policy of the Company can be downloaded at website of the Company at <https://gargfurnacelimited.com/>

Further Annual Report on the CSR activities of the Company for the Financial Year 2023-2024 is attached here with as Annexure 1.

Annexure-1

Attendance Details of Board and Committee Meetings held during the Financial Year 2023-2024:

The details of meetings attended by the Members of Board as well as Committees are as follows:

Name of Director	Category	No. of Board Meetings attended	No. of Committee Meetings Attended			
			Audit	Stakeholders Relationship	Nomination and Remuneration	Corporate Social Responsibility Committee
Mr. Devinder Garg	Chairman & Managing Director	14 out of 14	-	-	1 out of 1	-
Ms. Vaneera Garg	Wholetime Director	14 out of 14	1 out of 1	-	1 out of 1	-
Mr. Toshak Garg	Managing Director	10 out of 10	-	-	-	-
Mr. Dharam Chand	Non-Executive Independent Director	1 out of 1	-	-	1 out of 1	-
Ms. Jyoti Batra	Non-Executive Independent Director	13 out of 13	6 out of 6	1 out of 1	3 out of 3	1 out of 1
Ms. Amandeep Kaur	Non-Executive Independent Director	14 out of 14	6 out of 6	1 out of 1	3 out of 3	1 out of 1
Ms. Purti Katyal	Non-Executive Independent Director	10 out of 10	5 out of 5	1 out of 1	1 out of 1	1 out of 1

@Appointed as Managing Director with effect from 14th August, 2023

\$ Ceased to be a Director with effect from 30th May, 2023

*Appointed as an Independent Director with effect from 27th April, 2023

Appointed as an Independent Director with effect from 14th August, 2023

DIRECTORS' RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) of section 134 of Companies Act, 2013 directors, to the best of their knowledge and belief, state that -

a) in the preparation of the annual accounts, 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 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 Companies Act, 2013 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 laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) 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.

DECLARATION BY INDEPENDENT DIRECTORS

In terms of Section 149(7) read with Schedule IV of the Companies Act, 2013, the Company has received necessary declaration from all the Independent Directors of the Company. All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act, Regulation 16(1)(b) of the SEBI Listing Regulations along with the declaration that they have registered themselves with the Independent Director's Database maintained by the IICA as provided in sub-rule (3) rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act

and Regulation 16(1) (b) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

POLICIES

Your Company has framed the Policies (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; (ii) the Code of Conduct as required under SEBI (Prohibition of Insider Trading) Regulations, 2015, (iii) Policy on inquiry in case of leak of unpublished price sensitive information (UPSI) (iv) Policy for Preservation of Documents (v) Policy for determination of Materiality of the Disclosure of Events & Information (vi) Archival Policy and the same is available on the website of Company at <https://gargfurnacelimited.com/>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company, during the year, has , 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 under the provisions of Section 185 and 186 of the Companies Act, 2013.

Information regarding loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are detailed in the Financial Statements at Note No. 4.

PARTICULARS OF CONTRACTS AND ARRANGEMENT MADE WITH RELATED PARTY TRANSACTIONS

During the year under review, the Company is in compliance with the applicable provisions of Section 177 and 188 of the Companies Act, 2013 and SEBI (LODR) Regulations, with respect to transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. All the related party transactions entered into by the Company were in the ordinary course of business and were entered at Arm's Length basis, none of which was material in accordance with the Company's Related Party Transactions Policy. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is annexed as Annexure-2. Further there are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

Prior approval of the Audit Committee was also obtained for all the transactions entered into during the year 2022-23 by the Company with its Group Companies. The

details of all the related party transactions were placed before the Audit Committee and Board for its consideration and ratification on quarterly basis.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required under Section 134 (3)(m) of The Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 is annexed herewith as Annexure -3 and forms part of this report.

RISK MANAGEMENT POLICY

The Company has in place a risk management policy including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company and also the comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically as per the Risk Management Policy of the Company. The Board provides oversight and reviews the Risk Management Policy periodically.

FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and applicable provisions of the SEBI (LODR) Regulations 2015, the Board in consultation with the Nomination and Remuneration Committee had adopted the framework for the Annual Evaluation of the Board, its Committees and Individual Directors. During the year under review, the Board has also carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees.

SUBSIDIARIES AND JOINT VENTURE

The Company does not have any subsidiary, associate and Joint Venture Company as on March 31, 2024. There was no change in the Subsidiaries, Joint Ventures or Associate Companies of the Company during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2024, the Board of Directors consists of 6 (Six) Directors i.e. 2 (Two) Managing Directors, 1 (One) Wholetime Director and 3 (Three) Non-Executive Independent Directors.

Woman Director:

In terms of the provisions of Section 149 of the Companies Act, 2013, your Company has Mrs. Vaneera Garg, Ms. Jyoti Batra, Ms. Purti Katyral and Ms. Amandeep Kaur as Woman Directors on the Board as on March 31, 2024.

Changes in the Board of Directors and Key Managerial Personnel

a) In light of the provisions of the Companies Act, 2013, Mr. Devinder Garg (DIN: 01665456) Managing Director of the Company, retires from the Board by rotation this year and being eligible, offers himself for re-appointment. The Information as required to be disclosed a per regulation as applicable of SEBI (LODR) Regulations 2015 in case of re- appointment of the director is provided in the Notice of the ensuing annual general meeting.

b) Ms. Shruti Gupta(DIN: 10310259) was appointed as an Additional Independent Director of the Company by the Board on the recommendation of Nomination & Remuneration Committee in their meeting held on 23rd July, 2024, with effect from 23rd July, 2024, in accordance with provisions of section 161 of the Companies Act, 2013.

Ms. Shruti Gupta is not disqualified from being appointed as Director in terms of Section 164 of the Act. As per the recommendation of Nomination and Remuneration Committee and based on the performance evaluation, the Board had recommended the appointment of Ms. Shruti Gupta (DIN: 10310259) as an Independent Director of the Company for a period of five years w.e.f. 23rd July, 2024.

The Company had also received a declaration from Ms. Shruti Gupta declaring that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Ms. Shruti Guptafulfills the conditions required to be fulfilled for being appointed as an Independent Director of the Company as per the provisions of Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

c) Mrs. Jyoti Batra (DIN: 10009491) was appointed as an Additional Independent Director of the Company by the Board on the recommendation of Nomination & Remuneration Committee in their meeting held on 27th April, 2023, with effect from 27th April, 2023, in accordance with provisions of section 161 of the Companies Act, 2013.

Mrs. Jyoti Batra is not disqualified from being appointed as Directors in terms of Section 164 of the Act. As per the recommendation of Nomination and Remuneration Committee and based on the performance evaluation, the Board had recommended the appointment of Mrs. Jyoti Batra (DIN: 10009491) as Independent Director of the Company for a period of five years w.e.f. 27th April, 2023.

The Company had also received a declaration from Mrs. Jyoti Batra declaring that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mrs. Jyoti Batra fulfills the conditions required to be fulfilled for being appointed as an Independent Director of the Company as per the provisions of Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

Further, Ms. Jyoti Batra has resigned from the post of Non-Executive Independent Director of the Company w.e.f. 23rd July, 2024 and the Board accepted the same

d) Mrs. Purti Katyal (DIN: 09251560) was appointed as an Additional Independent Director of the Company by the Board on the recommendation of Nomination & Remuneration Committee in their meeting held on August 14, 2023, with effect from August 14, 2023, in accordance with provisions of section 161 of the Companies Act, 2013.

Mrs. Purti Katyal is not disqualified from being appointed as Directors in terms of Section 164 of the Act. As per the recommendation of Nomination and Remuneration Committee and based on the performance evaluation, the Board had recommended the appointment of Mrs. Purti Katyal (DIN: 09251560) as Independent Director of the Company for a period of five years for a period of five years w.e.f. August 14, 2023.

The Company had also received a declaration from Mrs. Purti Katyal declaring that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mrs. Purti Katyal fulfills the conditions required to be fulfilled for being appointed as an Independent Director of the Company as per the provisions of Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

e) During the year under review, Mrs. Vaneera Garg, was redesignated as Wholetime Director of the Company from Non-Executive Director w.e.f. 14th August, 2023 by the Board on the recommendation of Nonimation and Remuneration Committee in their meeting held on 14.08.2023 and shareholders had approved the same in their 50th Annual General Meeting held on 22nd December, 2023.

f) During the year under review, Mr. Toshak Garg was appointed as Managing Director of the Company by the Board on the recommendation of Nomination & Remuneration Committee in their meeting held on 14.08.2023, with effect from 14.08.2023 and shareholders had approved the same in their 50th Annual General Meeting held on 22nd December, 2023

As on March 31, 2024, the Company has following Key Managerial Personnel:

1. Mr. Devinder Garg – Chairman and Managing Director
2. Mrs. Vaneera Garg - Wholetime Director
3. Mr. Toshak Garg – Managing Director
4. Mr. Gurmeet Singh Battu – Chief Financial Officer
5. Mrs. Supreena Tagra – Company Secretary and Compliance Officer

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in future.

CHANGE IN THE NATURE OF BUSINESS:-

During the year under review, there was no change in the nature of the business of the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has put in place adequate Internal Financial Controls commensurate with the size and the nature of its business in order to facilitate a timely and accurate compilation of financial statements.

Further, the statutory auditors of the Company have verified the systems and processes and confirmed that the internal financial controls system over financial reporting is operating effectively. Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has not appointed any Internal Auditor of the Company. The Internal Auditor reports to the Audit Committee and his reports are discussed and reviewed by the Audit Committee of the Board. All the significant audit observation and follow up action thereon are reviewed of by the Audit Committee. The Committee oversees the adequacy of Internal Control.

REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013:

The Company has zero tolerance for sexual harassment for women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2023-2024, the Company has not received any complaint on sexual harassment and hence no complaint remains pending as of March 31, 2024 and March 31, 2023.

CORPORATE GOVERNANCE

Pursuant to provisions of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V is not applicable to the Company as the paid up equity share capital of the Company was Rs. 400.87 lakh and net worth of the Company was Rs. 2069.78 lakh as on the last day of the previous financial year i.e. March 31, 2023 which is not exceeding Rs. 10 Crores and Rs. 25 Crores, respectively as per the latest audited Financial Statements as at March 31, 2023.

As per the paid up Capital and Net worth of the Company as latest Audited Financial Statements as at March 31, 2024 is exceeding Rs. 10 Crores and Rs. 25 Crores, respectively, so Company has complied with the provisions of Regulation 15(2) of the SEBI (LODR) Regulations, 2018

DISCLOSURE OF REMUNERATION OF DIRECTORS AND EMPLOYEES OF THE COMPANY:

The information required pursuant to the provisions of Section 197 (12) read with rule 5 (1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as Annexure- 4 and forms part of this report.

VIGIL MECHANISM

Pursuant to the provisions of Section 177 and applicable provisions of SEBI (LODR) Regulation, the Company has put in place an effective Vigil Mechanism/ Whistleblower Mechanism. The Vigil mechanism is implemented not only as a safeguard to unethical practices. This mechanism is intended to provide mechanism for reporting genuine concerns or grievance and ensure that deviations from the Company's Business Conduct Manual and Values are dealt with in a fair and unbiased manner. The

mechanism also ensures the protection of whistleblower against the victimization for the disclosure made by him/her. Under the mechanism an Ethics committee has been established for managing the vigil mechanism and the mechanism also provides for direct access to the Chairman of the Audit Committee in exceptional circumstances. The Audit Committee reviews and ensures the adequacy of the system laid down by the Company for the said purpose.

No concern was reported in aforesaid connection during the financial year ended March 31, 2024. The Vigil Mechanism/Whistle Blower Policy is posted on the website of the Company and the web link for the same is <https://gargfurnacelimited.com/details-of-establishment/>

STATUTORY AUDITOR

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s. Ashwani & Associates, Chartered Accountants, (Firms Registration No. 000497N), was appointed as Statutory Auditors of the Company by the Shareholders at their Annual General Meeting held on September 30, 2020, to hold office for a period of five years, from the conclusion of the 47th Annual General Meeting till the conclusion of the 52nd Annual General Meeting of the Company to be held in the year 2025.

The Statutory Auditors of the Company have submitted the Auditor's Report on the Financial Statements of the Company for the Financial Year ended March 31, 2024. The Auditor's Report is self-explanatory and requires no comments. Further, there were no adverse remarks or qualification in the Report that calls for Board's explanation. During the year under review, there were no frauds reported by Auditors under Section 143(12) of Companies Act, 2013.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Rules made thereunder the Company has appointed, PDM & Associates, (membership number: 25003) Company Secretaries in Practice, to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2023-24 given by M/s. PDM & Associates in the prescribed form MR-3 is annexed to this Report as Annexure - 5.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee recommends to the Board, the Company's policy on Directors', Key Managerial Personnel and Senior Management appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matters as per Section 178(3) of the Companies Act, 2013. The Nomination and Remuneration Policy is available on the Company's website at <https://gargfurnacelimited.com/>

As mandated by proviso to Section 178(4) of the Companies Act, 2013, salient features of Nomination and Remuneration Policy is annexed as Annexure-6 hereto and forms part of this report.

COST AUDITOR AND MAINTENANCE OF COST RECORDS

Pursuant to section 148 of the Companies Act, 2013 and Rules made thereunder, Board of Directors had, on the recommendation of the Audit Committee, appointed M/s Anju Pardesi, (Firm Registration Number: 003448) Cost Accountants, to audit the cost accounts of the Company for the financial year 2024-25 at a remuneration of 20000.00 plus service tax, out-of pocket and travel and living expenses, subject to ratification by the shareholders at annual general meeting. Accordingly, a resolution seeking members' ratification for the remuneration payable to cost auditor is included in the Notice convening the annual general meeting.

The Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

PUBLIC DEPOSIT:

During the year under review, the Company has not accepted any Public Deposit within the meaning of Section 73 of the Companies Act, 2013 and rules made there under. There is no outstanding/unclaimed deposit from the public.

However, the information as required under Rule 8 of the Companies (Accounts) Rules, 2014 is given hereunder:-

- (i) Deposits accepted during the year: Nil
- (ii) Deposits remained unpaid or unclaimed as at the end of the year: Nil
- (iii) Default in repayment of deposits and deposits which are not in compliance with the Requirements of Chapter V of the Companies Act, 2013: not applicable

ANNUAL RETURN:

The Annual Return of the Company, pursuant to sub-section 3 (a) of Section 134 and the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2023-2024 in the Form MGT-7 has been uploaded on Company's website at <https://gargfurnacelimited.com/>

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

LISTING OF SECURITIES, LISTING FEES AND ANNUAL CUSTODY FEES:

The Securities of the Company are listed on BSE Limited (Scrip Code: 530615), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The Company has paid the listing fee to the BSE Limited for the financial year 2024-2025. The Company has also made the payment of Annual Custody fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2024-2025.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

- (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- (c) number of shareholders to whom shares were transferred from suspense account during the year: Nil
- (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Since there was no unpaid/unclaimed dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Industrial Relations remained cordial throughout the year. A detailed section on Human Resources/Industrial Relations is provided in the Management Discussion and Analysis Report, which forms part of this Annual Report.

OTHER DISCLOSURES:

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and

The requirement to disclose 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, is not applicable.

Disclosure of certain types of agreements binding listed entities (1) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations:

During the year under review, the company has not entered into any such kind of agreements.

The Company has not defaulted in payment of interest and/ or repayment of loans to any of the financial institutions and/ or banks during the year under review is not applicable.

ACKNOWLEDGMENT

The Directors wish to extend their sincere thanks to the Punjab & Sind Bank, Punjab State Power Corporation Limited, Container Corporation of India, other State & Central Government Agencies, Suppliers and Customers for their continued support and co-operation.

The Directors also wish to place on record their deep appreciation for the services rendered by the workers & staff at all levels.

For and behalf of the Board
for Garg Furnace Limited

Place : Ludhiana
Date : 7.09.2024

Devinder Garg
Chairman & Managing Director
(DIN 01665466)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Namaste Shareholders,

I trust this message finds you and your families in good health and high spirits.

As we reflect on the past year, we are encouraged by the resilience of the global economy despite the significant challenges it faced. Amidst geopolitical uncertainties and inflationary pressures, the global economy demonstrated considerable strength, achieving a growth rate of 3.2%. We are optimistic about the future and anticipate similar growth in the calendar year 2024, driven by advancements in infrastructure, technology, and the promising potential of emerging markets.

The Indian economy continues to be a bright spot, recording an impressive GDP growth rate of 8.2% for the fiscal year 2023-24. This robust performance not only surpasses the global average but also highlights the positive impact of substantial public investment and ongoing reforms.

The steel industry faced its own set of challenges, including geopolitical tensions and high input costs. However, increased infrastructure spending and rising private sector investment in India contributed to a commendable 13% increase in crude steel production. We remain confident that domestic steel demand will remain strong in the fiscal year 2024-25, despite potential global pricing pressures.

Over the past financial year, our focus on enhancing quality and efficiency has yielded positive results, strengthening our market position and increasing customer satisfaction.

We have undertaken a strategic initiative to improve our operational efficiency by sourcing our raw materials-primarily scrap, which constitutes 97% of our product-directly from suppliers, thereby bypassing intermediaries. This approach is expected



to deliver long-term benefits, including cost reductions and improved quality control over raw material composition. Currently, 60% of our raw materials are procured through this direct-buying strategy.

Our commitment to adding value to our products is exemplified by our recent expansion into the alloy steel market. While the immediate impact of this addition is modest, we are excited about its potential and are dedicated to further developing this product line in the coming year. The superior quality of alloy steel will enable us to serve new customers and explore new markets.

Our company's business model has consistently achieved a Return on Equity (ROE) of approximately 30%. This year, we have successfully maintained this robust ROE. Additionally, during the fiscal year, the company conducted a preferential allotment of shares to investors and promoters. The funds raised through this allotment remain unutilized at present and are earmarked for future expansion activities. These funds will be deployed in due course to support our growth initiatives.

Future Plans

Looking ahead, we are excited to share several significant developments:

1. Expansion of Production Capacity at Garg Furnace Limited: We have applied for Environmental Clearance for a major expansion that will increase our annual production capacity to 125,000 MT—a threefold increase. All necessary documentation has been completed, and we are now awaiting government approval.
2. We are seeking strategic partnerships and focusing on value addition in the coming year. Our objective is to venture towards achieving higher profitability margins. Specifically, we aim to target the steel industry by producing a diverse range of engineered steel products. These products will cater to critical applications in highly specialized and quality-conscious industries, including the automobile, auto components, engineering, and defense sectors.

We believe these strategic initiatives will significantly enhance our capabilities and market presence. We remain committed to delivering value to our shareholders and deeply appreciate your continued support.

Warm regards,

Devinder Garg
Chairman & Managing Director

Ratio	F.Y. 2023-2024	F.Y. 2022-2023	% Change
Current Ratio	1.16	1.17	(1.06)
Debt equity Ratio	0.23	0.70	(67.15)
Debt Services coverage Ratio	5100.50%	70.08%	(7178.11)
Return on equity ratio (ROE)	33.53%	54.48%	38.46
Inventory Turnover Ratio (in days)	14.75	12.72	15.92
Trade receivable turnover ratio (in days)	15.81	15.00	5.37
Trade payable turnover ratio (in days)	25.07	21.81	14.96
Net capital turnover ratio	44.78	40.53	(10.48)
Net profit ratio	2.49%	3.54%	29.58
Return on capital employed (ROCE)	23.94%	26.15%	8.46

EXPLANATION FOR CHANGE OF 25% OR MORE IN KEY FINANCIAL RATIOS:

Change in debt-equity ratio due to decrease in debt during the year. Change in return in equity ratio due to decrease in net profit during the year. Change in net profit ratio due to decrease in net profit during the year.

ACCOUNTING TREATMENT:

The financial statements of the Company for financial year 2022-2023 have been prepared in accordance with the applicable accounting principles in India and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder. The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

CAUTIONARY STATEMENT:

Though the statement and views expressed in the above said report are on the basis of best judgment but the actual future results might differ from whatever is stated in the report.

For and behalf of the Board
for Garg Furnace Limited

Place : Ludhiana
Date : 7.9.2024

Devinder Garg
Chairman & Managing Director
(DIN 01665466)

ANNEXURE – 1 TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company's CSR policy and programs are in accordance with Section 135 of Companies Act, 2013. The CSR policy of the Company can be accessed on its website at <https://gargfurnacelimited.com/>

2. Composition of CSR Committee:

SL No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attend during the year
1.	AMANDEEP KAUR	Chairperson/ Non-Executive Independent Director	1.	1.
2.	JYOTI BATRA	Member / Non-Executive Independent Director	1.	1.
3.	PURTI KATYAL	Member / Non-Executive Independent Director	1.	1.

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://gargfurnacelimited.com/>
4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of subrule (3) of rule 8, if applicable: Not Applicable
5. (a) Average net profit of the company as per sub-section (5) of Section 135: Rs. 2.54 Cr.
(b) Two percent of average net profit of the company as per sub-section (5) of Section 135: Rs. 5.08 Lakhs
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
(d) Amount required to be set off for the financial year, if any: Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 5.80 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 5.80 Lakhs

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 5.80 Lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135			Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135	
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
3.80 Lakh	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set off, if any: NA

SL No.	Particular	Amount in Rs.
1.	2.	3.
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	5.08 Lakh
(ii)	Total amount spent for the Financial Year	5.80 Lakh
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(iv)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

1.	2.	3.	4.	5.	6.	7.	8.
SL No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in `)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in `)	Amount Spent in the Financial Year (in `)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in `)	Deficiency, if any
The provisions of the Companies Act, 2013 related to CSR were not applicable to the Company in Preceding Financial Years							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes

No

If Yes, enter the number of Capital assets created/ acquired : Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

SL No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, If applicable	Name	Registered Address
Not applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not Applicable

For and behalf of the Board
for Garg Furnace Limited

For and behalf of the Board
for Garg Furnace Limited

Place : Ludhiana

Amandeep Kaur

Devinder Garg

Date : 7.9.2024

Chairman of Committee
(DIN 07728094)

Chairman and Managing
Director
(DIN 01665456)

ANNEXURE-2 TO THE DIRECTORS' REPORT
Form 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 arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis –
During the Financial Year 2022-23, the Company had not entered into any contract/ arrangement/ transaction with its related parties which is not in ordinary course of business or at arm's length.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

Details of material contracts or arrangements or transactions at Arm's length basis –
All the transactions entered into by the Company with its related parties, during the year under review were in the "ordinary course of the business" and on "an arm's length basis", none of which was "material" in accordance with the Company's Related Party Transactions Policy.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Date(s) of approval by the Board, if any: Not Applicable
- (f) Amount paid as advances, if any: Not Applicable

For and on behalf of the Board
For Garg Furnace Limited

Place: Ludhiana
Date: 07.09.2024

Devinder Garg
Chairman and Managing Director
DIN: 01665466

ANNEXURE 3 TO THE DIRECTORS' REPORT

Information pursuant to Section 134 (3)(m) of The Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended 31st March, 2023 CONSERVATION OF ENERGY

- a) Energy conservation measures : The company has always been conscious of the need to conserve energy and has always attempted various measures for the same wherever possible to achieve reduction in cost of production. The company has taken various measures on suggestions of experts in the areas where energy reduction and fuel & oil conservation is possible. The Company has installed LED lamps in place of failed Tube lights and CFL thereby reducing energy consumption in lighting during the year
- b) Additional Investment and proposals if any, being implemented for reduction of energy consumption. : No.
- c) Impact of Measures taken at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods. : 5% Saving in Energy consumption.

The company has always been conscious of the need to conserve energy and has always attempted various measures for the same wherever possible to achieve reduction in cost of production. The company has taken various measures on suggestions of experts in the areas where energy reduction and fuel & oil conservation is possible. The Company has installed LED lamps in place of failed Tube lights and CFL thereby reducing energy consumption in lighting during the year

- d) Total energy consumption per unit of production as per form A of the annexure to the rules in respect of industries specified in schedule thereto.

B. POWER & FUEL CONSUMPTION

1. Electricity	Current Year	Previous Year
a) Purchased		
Units(KWH) (in Units)	31259609	31150326
Total amount	Rs. 222568479.00	203073043.00
Rate per unit	Rs. 7.11Rs.	Rs. 6.52
b) Own Generation	Current Year	Previous Year
i) Through Diesel Generator Units(KWH)	3541	4836
Units per litre of diesel	3.90	3.90
Oil Cost/unit	Rs. 22.81	Rs. 20.06
ii) Through steam Turbine	Nil	Nil
2. Coal		
Quantity (Kgs)	--	---
Total Amount	Rs. 00	-----
Average Rate per Kg	Rs. 00	-----

C. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are as under:

- A. Research and Development(R&D) Nil
- B. Technology absorption, adoption and innovation Nil

The manufacturing process is based on the indigenous know-how. We are adopting water cooling system with heat exchange r and colloid-A-Tran equipment for improvement in the working of the plant.

III. FOREIGN EXCHANGE EARNING AND OUT GO

	2022-2023	2021-2022
Total Foreign Exchange	0.00	0.00
Used (CIF Value of Imports) purchase of Scrap	Rs. 19131826.72 (USD 228837.01)	0.00

For and on behalf of the Board
For Garg Furnace Limited
Devinder Garg
Chairman and Managing Director
DIN: 01665466

Place: Ludhiana
Date: 07.09.2024

ANNEXURE – 4 TO THE DIRECTORS' REPORT

Disclosure in the Boards' Report 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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary or Manager during the Financial Year 2022-2023, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-2023.

Sr. No.	Name & Designation of Director/KMP	Remuneration for F.Y. 2022 -2023 (in Rs.)	% increase/(decrease) in remuneration in the F.Y. 2022 -2023	Ratio of Remuneration of each director to median remuneration of employees
1.	Mr. Devinder Garg, Chairman and Managing Director	1266180	-14.51%	--
2.	Ms. Vaneera Garg, Non-Executive Non Independent Director	120000	0 %	--
2.	Toshak Garg Managing Director	750000	100%	--
3.	Mrs. Amandeep Kaur Non-Executive Independent Director	--	Not applicable	Not applicable
4.	Mrs Jyoti Batra, Independent Director *	--	Not applicable	Not applicable
5.	Mrs Shruti Mittal**	--	Not applicable	Not applicable
6.	Mr. Gurmeet Singh Battu Chief Financial Officer	0	-	--
7.	Ms. Supreena Tagra^ Company Secretary	84071	Not applicable	Not applicable

*Ceased to be a Director with effect from July 23, 2024

** Appointed as Director with effect from July 23, 2024

- The median remuneration of employees of the Company during the financial year was Rs. 20328/-
- In the financial year under review, there was 5.45 % increase in the median remuneration of employees.
- There were 62 permanent employees on the rolls of Company as on March 31, 2024.
- Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year 2023-2024 is Nil
- It is hereby affirmed that the remuneration paid to Directors, KMP's and other employees during the year is as per the Remuneration Policy of the Company.

Details of Top ten employees of the Company in terms of salary drawn as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2022-2023.

Sr. No.	Name & Designation	Remuneration Received (in Rs.)	Nature of Employment	Qualification and Experience	Date of commencement of employment	Age (in years)	Last employment held	% age of equity shares held	Whether relative of any director or manager
1	DEVINDER GARG	1485210	DIRECTOR	B.A.	01/08/2015	59	-	1067510	Father of Mr. Toshak Garg and Husband of Smt. Vaneera Garg
2	VANEERA GARG	1200000	DIRECTOR	B.A.	14/11/2015	57	-	1054290	Mother of Mr. Toshak Garg and Wife of Sr. Devinder Garg
2	TOSHAK GARG	750000	DIRECTOR	B.SC	14/08/2023	33	-	216951	Son of Mr. Devinder Garg and Mrs. Vaneera Garg
3	PARDEEP PANDAY	233956	SUPERVISOR	10 TH	01/01/2022	43	-	0	Nil
4	RISHI KESH BIND	291649	INCHARGE	12 TH	01/05/2017	30	-	0	Nil
5	BAUNATH THAKUR	210466	EXECUTIVE	10 TH	01/10/2020	43	-	0	Nil
6	ASHOK KUMAR	245150	INCHARGE	12 TH	01/10/2022	32	-	0	Nil
7	ANIL YADAV	228548	EXECUTIVE	10 TH	01/04/2022	29	-	0	Nil
8	GURMEET SINGH BATTU	42600	ACCOUNTS HEAD	GRADUATE	01/08/2018	52	-	0	Nil
9	GUDBAR SINGH	310581	FOREMAN	5 TH	01/09/2017	49	-	0	Nil
10	RANJIT KUMAR	116692	INCHARGE	12 TH	01/01/2021	34	-	0	Nil

Note:

1. During the Financial Year 2023-2024, there was no employee who, if employed throughout the financial year, was in receipt of remuneration in the aggregate, not less than one crore and two lakh rupees.
2. During the Financial Year 2023-2024, there was no employee who, if employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand Rupees per month.
3. During the Financial Year 2023-2024, there was no employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

For and on behalf of the Board
For Garg Furnace Limited
Devinder Garg

Place: Ludhiana Chairman and Managing Director

Date: 07.09.2024 DIN: 01665456

Note:

1. During the Financial Year 2023-2024, there was no employee who, if employed throughout the financial year, was in receipt of remuneration in the aggregate, not less than one crore and two lakh rupees.
2. During the Financial Year 2023-2024, there was no employee who, if employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand Rupees per month.
3. During the Financial Year 2023-2024, there was no employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

For and behalf of the Board
for Garg Furnace Limited

Place : Ludhiana

Date : 7.9.2024

Devinder Garg
Chairman & Managing Director
(DIN 01665456)

ANNEXURE 5 TO THE DIRECTORS' REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No. 9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]

SECRETARIAL AUDIT REPORT

To,
The Members,
Garg Furnace Limited
CIN: L99999PB1973PLC003385
KANGANWAL ROAD VPO JUGIANA G T ROAD LUDHIANA PB 141120 IN

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Garg Furnace Limited hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my/our verification of the Garg Furnace Limited 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Garg Furnace Limited ("The Company") for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to 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 ('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, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi). Other Applicable Laws

1. The Shops & Establishment Act, 1954
2. The Factories Act
3. Payment of Gratuity Act
3. Minimum Wages Act, 1948
5. Maternity Benefit Act, 1961
6. The Employees State Insurance Act, 1948
7. Employees Provident Fund and Miscellaneous Provisions Act
8. The Contract labour (Regulation & Abolition) Act 1970
9. The Payment of Bonus Act, 1965
10. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

With reference to aforesaid specific Acts of the Company, i have relied on the Compliance Certificates placed before the Board by the respective Department heads. With regard to compliance system relating to direct tax, indirect tax and other tax laws, i have relied on the reports of Internal as well as the Statutory Auditors of the Company for. Our report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report.

(vii) I 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 laws relating to labour & industrial laws Central, State & Local Tax Laws, Environmental laws as well as other laws specifically applicable to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India: Secretarial Standards issued by The Institute of Company Secretaries of India for Board Meetings and General Meetings are applicable and have been duly complied.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s): During the period under review the Company has generally complied with the provisions of the Corporate Laws and applicable Rules, Regulations, Guidelines, Standards, etc.

1. The Company has kept and maintained all Registers as per the provisions of the Corporate Laws and the Rules made there under and all entries therein have been recorded.

2. The Company is not required to obtain any approval of the Central Government, National Company Law Tribunal, Regional Director, Registrar and/or such authorities prescribed under the provision of the Act during the said year.

3. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or other punishment was imposed on the Company during the financial year, for offences under the Corporate Laws. However, Company has paid old penalties amounting to Rs. 650180 Including 18 % GST during the year under review.

4. Based on the Audit Procedures performed and the information and explanations given to us, i report that no fraud on or by the Company was noticed or reported during the year.

5. Management has informed us that the website of the Company (gargfurnacelimited.com) is being updated regularly as per the provisions of the Companies Act, 2013.

6. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that

The Board of Directors of the Company was duly constituted with a proper balance of Executive, Non-Executive Directors.

Composition of Board of Directors of the Company is adequate. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the Audit and also on review of quarterly compliance reports by respective department heads/ Company Secretary taken on record by the Board of Directors of the Company, in our opinion, 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.

We further report that during the audit period the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above except:

1. To create, issue, offer and allot from time to time, in one or more tranches, 28,00,000 (Twenty Eight Lakhs only) Convertible Warrants into Equity shares on preferential basis, at a price of ₹ 195/- (Rupees One Hundred Ninety Five Only) per share, aggregating upto ₹ 54,60,00,000/- (Rupees Fifty Four Crore Sixty Lakhs Only) ("Total Issue Size"), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value ₹ 10.00/- (Rupees Ten only), each at a premium of ₹ 185/- per share for each Warrant.

2. To issue and allot 6,00,000 (Six Lakh) Equity Shares of face value of Rs. 10/- (Rupees Ten only) each upon conversion of the warrants at an issue price of Rs. 195/- (Rupees One Hundred and Ninety-Five only) each, including premium of Rs. 185/- each.

This report is to be read with my letter of even date which is annexed as Annexure-A and forms an integral part of this Report.

Place: Ludhiana

Date: 06.09.2024

FOR PDM & ASSOCIATES
CS Pooja Damir Miglani
Company Secretaries

Prop.

M.No. A25988

C.P No. 25003

UDIN:A025988F001162013

Peer Review No: S2021PB834000

To,
The Members,
Garg Furnace Limited
CIN: L99999PB1973PLC003385
KANGANWAL ROADVPO JUGIANA G T ROAD LUDHIANA PB 141120 IN

Our report of even date is to be read along with this letter stating that.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever 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 procedure on test check basis.

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

Place: Ludhiana
Date: 06.09.2024

FOR PDM & ASSOCIATES
CS Pooja Damir Miglani
Company Secretaries

Prop.
M.No. A25988
C.P No. 25003
UDIN: A025988E000947337
Peer Review No: S2021PB834000

Form No. MGT - 11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies
(Management and Administration) Rules, 2014]

GARG FURNACE LIMITED CIN: L99999PB1973PLC003385
Regd. office : Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana-141120

Name of the member (s):.....

Registered address:.....

E-mail Id:.....

Folio No/Client Id: DPID:

I/We, being the member(s) of GARG FURNACE LIMITED holding shares of the above
named company, hereby appoint

1. Name:

Address:

E-mail Id:Signature, or failing him

2. Name:

Address:

E-mail Id:Signature, or failing him

3. Name:

Address:

E-mail Id:Signature, or failing him

As my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 51st
Annual General Meeting of the Company, to be held on Monday the 30th day of September,
2024 at 01.00 P.M and at any adjournment thereof in respect of such resolutions to be proposed
at such 49th Annual General Meeting

Signed this day of 2024

Signature of Shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the
Company's Registered Office, not less than 48 hour before the commencement of the
Meeting.

GARG FURNACE LIMITED
CIN: L99999PB1973PLC003385
Regd.office: Kanganwal Road, V.P.O.Jugiana, G.T.Road, Ludhiana-141120
Phone-+91-2512285, 8437004842
Email_ gargfurnace@yahoo.com Web:www.gargfurnacelimited.com
ATTENDANCE SLIP
51st ANUUAL GENERAL MEETING ON 30th DAY OF SEPTEMBER, 2024

DP ID-Client ID/Folio No:	
Name & Address of Sole Member:	
No. of Shares held:	

I certify that I am member / proxy of the Company.

I here by record my presence at the 51st Annual General Meeting of the Company, to be held on Monday the 30th day of September, 2024 at 01.00 P.M at Registered Office of the Company.

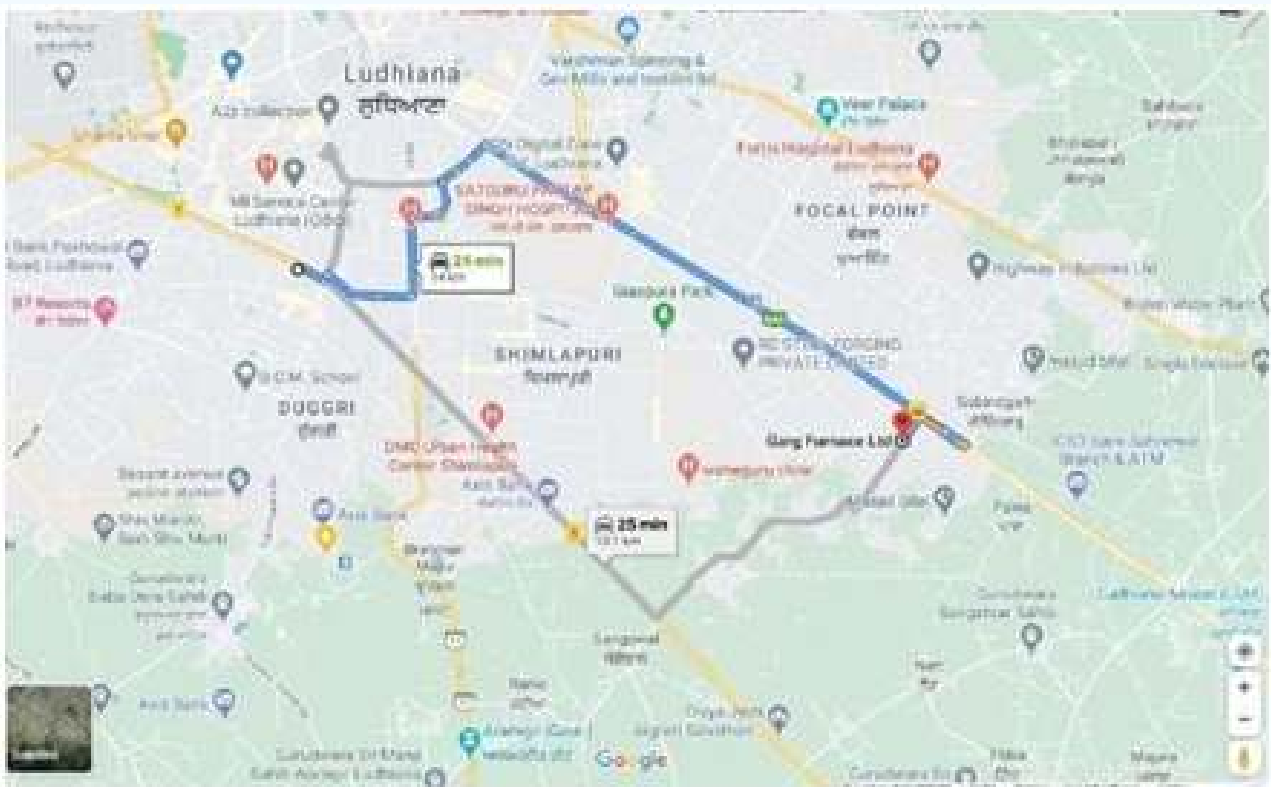
Member/ Proxy Signature

ELECTRONIC VOTING PARTICULARS

EVSN	User ID	Password/ Pin
(Electronic Voting Sequence Number)		(Pan/ Seq. No.)

Note: Please read the complete instructions given under the Notes (The instructions for shareholders voting electronically) to the Notice of 51st Annual General Meeting. The voting time starts from Tuesday 24th September, 2024 (9.00AM IST) and ends on Monday, 30th September, 2024 (5.00PM IST). The voting module shall be disabled by CDSL for voting thereafter.

VENUE OF AGM



IF UNDELIVERED PLEASE RETURN TO:
GARG FURNACE LIMITED
Regd. Office: Kanganwal Road,V.P.O. Jugiana,
G.T. Road, Ludhiana -141-120

GARG

FURNACE LIMITED

Kanganwal Road, PO - Jugiana

G.T. Road (Ambala Side) Ludhiana, Punjab-141120 (INDIA)

Tel : 98557-00080

E-mail : gargtoshak@gmail.com

Website : www.gargfurnacelimited.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GARG FURNACE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Garg Furnace Limited** ("the Company") (CIN: L99999PB1973PLC003385), which comprise the Balance Sheet as at March 31, 2024, 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 summary of 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 the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.



S.no.	Key Audit Matter	Auditors' Response
1.	<p>Revenue recognition:</p> <p>Refer note 2(xiv) and note 24 of the financial statements. The Company's sales revenue mainly arose from sale of Iron and Steel products such as M.S. Round, Billet, Wire Rod etc. The Company recognizes sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Company to the customer occurs before the balance sheet date or otherwise. Considering that there is significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognised in the incorrect period, a key audit matter.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> • We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the Company's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs. • We tested the relevant information technology systems used in recording revenue including company's system generated reports, based on which selection of samples was undertaken. • On sample basis, we performed test of details of sales recorded close to the year-end through following procedures: <ol style="list-style-type: none"> i) Analysed the terms and conditions of the underlying contract with the customer, and ii) Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.

Information Other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, 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 during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in 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 Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, management 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 SAs 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 our audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

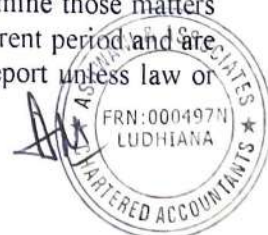
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 Section 143(3) of the Act, based on our audit, 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 purposes of our audit.
 - b) 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 33
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- 1172 0006970 00039717
- iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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, paid or propose to pay any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.



2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of
Ashwani & Associates
Chartered Accountants

Firm Registration Number: 000497N
by the hand of



Aditya Kumar
Partner

Place: Ludhiana

Dated: May 30, 2024

Membership No.: 506955
UDIN: 24506955BKCNTT3334

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Garg Furnace Limited of even date)

Report on the Internal Financial Controls with reference to Financial Statements 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 **Garg Furnace Limited** ("the Company") as of March 31, 2024 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 with reference to Financial Statements 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 (the "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.

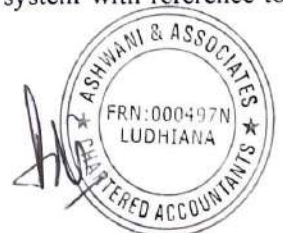
Auditor's Responsibility

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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. 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 with reference to Financial Statements 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 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 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 with reference to Financial Statements

A Company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control 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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, 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 control 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, to the best of our information and according to the explanations given to us, 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, 2024, based on the criteria for internal financial control with reference to Financial Statements 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 ICAI.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of



Place: Ludhiana
Dated: May 30, 2024

Aditya Kumar
Partner
Membership No.: 506955
UDIN: 24506955BKCNTT3334

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Garg Furnace Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. (a) (i) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property Plant and Equipment.

(ii) The Company does not have any intangible assets.

(b) The Company has a regular programme of physical verification of the Property Plant and Equipment at reasonable intervals. In accordance with this programme, certain Property Plant and Equipment were verified during the year, and no material discrepancies were noticed on such verification.

(c) The Company has all the original title deeds of immovable properties in its own name.

(d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and, the coverage and procedure of such verification is appropriate having regard to the size of the Company and the nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed between the physical stock of inventory and the books of accounts.

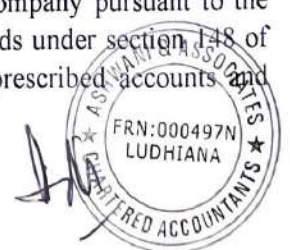
(b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

3. The Company, during the year, 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 and hence reporting under clause 3(iii) is not applicable.

4. The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made. The company has not given any guarantee and any security to any person.

5. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence, reporting under Clause 3(v) of the order is not applicable.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and



records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

7. (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except the following: -

Sr. No	Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which amount relates
1.	The Punjab Labour Welfare Fund Act, 1965	Punjab Labour Welfare Fund	222574/-	Up to Financial year 2023-24

(b) There are no statutory dues referred to in sub clause(a) above which have not been deposited on account of a dispute.

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. (a) The company has not defaulted in any repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and the term loans outstanding at the beginning of the year have been utilised for the purpose for which they were obtained and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company does not have any subsidiary, joint venture or associate companies, hence reporting under clause 3(ix)(e) is not applicable.

(f) The Company does not have any subsidiary, joint venture or associate companies, hence reporting under clause 3(ix)(f) is not applicable.

10. (a) The Company has not raised any money by way of initial public offer or further public offer (Including Debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.



(b) During the year, the Company has made a preferential allotment of 600000 equity shares at a price of ₹ 195/- per share to the promoter group. The Company has complied with requirements of Section 42 of Act with respect to such preferential allotment and the amounts so raised have been used for the purposes for which the funds were raised.

11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) No whistle-blower complaints were received during the year by the Company.

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

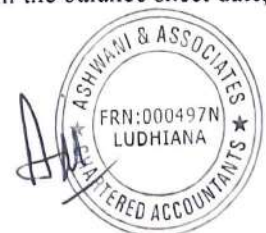
15. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) of the Order is not applicable.

17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. 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.



20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There is no amount remaining unspent under section (5) of section 135 of Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For and on behalf of
Ashwani & Associates
Chartered Accountants

Firm Registration Number: 000497N

by the hand of



Ashwani Kumar
Partner

Membership No.: 506955

UDIN: 24506955BKCNTT3334

Place: Ludhiana

Dated: May 30, 2024

GARG FURNACE LIMITED
Balance Sheet as at 31st March, 2024

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	3	1,409.53	1,477.72
b) Capital Work-in-Progress	3.1	-	26.77
c) Financial Assets			
i) Investments	4	38.57	38.09
ii) Trade Receivables	5	93.80	108.88
iii) Other Financial Assets	6	283.55	209.12
d) Other Non-Current Assets	7	32.25	107.99
		<u>1,857.70</u>	<u>1,968.57</u>
Current Assets			
a) Inventories	8	762.81	1,546.71
b) Financial Assets			
i) Trade Receivables	9	2,253.59	1,762.47
ii) Cash and Cash Equivalents	10	597.48	80.35
iii) Bank Balances other than (ii) above	11	264.13	250.14
iv) Other Financial Assets	12	36.85	38.18
c) Current Tax Assets (Net)	13	22.51	15.64
d) Other Current Assets	14	300.92	215.68
		<u>4,238.29</u>	<u>3,909.17</u>
		<u>6,095.99</u>	<u>5,877.74</u>
Total Assets			
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	15	460.87	400.87
b) Other Equity	16	4,410.23	1,668.91
		<u>4,871.10</u>	<u>2,069.78</u>
LIABILITIES			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	140.14	413.24
ii) Provisions	18	18.88	17.62
		<u>159.02</u>	<u>430.86</u>
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	19	9.41	62.65
ii) Trade Payables :-	20		
(A) Total outstanding dues of Micro enterprises and Small enterprises; and		2.13	6.75
(B) Total outstanding dues of creditors other than Micro enterprises and Small enterprises.		608.53	874.10
iii) Other Financial Liabilities	21	21.91	528.97
b) Other Current Liabilities	22	418.11	1,898.98
c) Provisions	23	5.78	5.65
		<u>1,065.87</u>	<u>3,377.10</u>
		<u>6,095.99</u>	<u>5,877.74</u>
Total Equity and Liabilities			

Corporate information 1
Material accounting policies 2
See accompanying notes forming part of financial statements

As per our reports of even date attached
For Ashwani & Associates
Chartered Accountants
Firm Registration Number: 090497N
by the hand of


Aditya Kumar
Partner
Membership No.: 506955
Place : Ludhiana
Date : 30th May, 2024

For and on behalf of the Board of Directors
For Garg Furnace Ltd.


Devinder Garg
Managing Director
DIN: 01665456


Vaneera Garg
Director
DIN: 01283990


Supreema Tagra
Company Secretary


Gurmeet Singh Battu
Chief Financial Officer

GARG FURNACE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Income:			
I Revenue From Operations	24	25,802.58	23,824.42
II Other Income	25	132.75	20.45
III Total Income (I+II)		<u>25,935.33</u>	<u>23,844.87</u>
IV Expenses:			
Cost of materials consumed	26	17,963.92	18,947.06
Purchase of Stock-in-Trade		3,934.75	1,468.89
Change in inventories of finished goods, Stock-in-Trade and work -in-progress	27	522.58	40.31
Employee benefits expense	28	165.64	191.69
Finance costs	29	17.65	15.89
Depreciation and amortization expense	30	157.04	141.41
Other expenses	31	2,617.91	2,445.67
Total Expenses (IV)		<u>25,379.49</u>	<u>23,250.92</u>
V Profit/(loss) before exceptional items and tax (III-IV)		555.84	593.95
VI Exceptional items		-	-
VII Profit/(loss) before Tax (V-VI)		555.84	593.95
VIII Tax expense:			
Current tax		-	-
Deferred tax		-	-
Total Tax Expense		-	-
IX Profit/(loss) for the period (VII-VIII)		555.84	593.95
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement (loss)/gain of defined benefit obligation		2.52	2.18
(ii) (Loss)/gain on fair valuation of equity investments through other comprehensive income		0.47	0.38
XI Total Comprehensive Income for the period (IX+X)		<u>558.83</u>	<u>596.51</u>
XII Earnings per equity share of ₹10/- each			
Basic (in ₹ per share)	32	13.84	14.82
Diluted (in ₹ per share)		11.60	14.82
Weighted average equity shares used in computing earnings per equity share			
Basic (in shares)		40,15,257	40,08,700
Diluted (in shares)		47,92,371	40,08,700

Corporate information 1
 Material accounting policies 2
 See accompanying notes forming part of financial statements

As per our report of even date attached

For Ashwani & Associates

Chartered Accountants

Firm Registration Number: 000497N

by the hand of


 Aditya Kumar
 Partner

Membership No.: 506955

Place : Ludhiana

Date : 30th May, 2024

For and on behalf of the Board of Directors
 For Garg Furnace Ltd.


 Devinder Garg
 Managing Director
 DIN: 01665456


 Vaneera Garg
 Director
 DIN: 01283990


 Supreema Tagra
 Company Secretary


 Gurneet Singh Battu
 Chief Financial Officer

GARG FURNACE LIMITED

Cash flow statement for the year ended 31st March, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended on 31st March, 2024	For the year ended on 31st March, 2023
A Cash flow from operating activities		
Profit/(loss) before Tax	555.84	593.95
Adjustments for:		
Depreciation and amortisation expense	157.04	141.41
Net (profit)/loss on sale of fixed assets	0.11	35.71
Finance costs	17.65	15.89
Exchange Rate Fluctuations	-	(0.12)
Allowances for expected credit loss and doubtful receivables	4.33	-
Sundry Balances Written Off	3.80	8.98
Sundry Balances Written Back	(9.90)	-
Interest income on deposits	(33.92)	(18.52)
	139.11	183.35
Operating profit before working capital changes	694.95	777.30
Changes in working capital:		
Decrease/(Increase) in inventories	783.90	138.09
Decrease/(Increase) in trade and other receivables	(562.21)	(922.17)
Increase/(Decrease) in trade payables and other liabilities	(2,257.62)	851.48
	(2,035.93)	67.40
Cash generated from operations	(1,340.98)	844.70
Taxes paid	-	-
Net cash flow from/(used in) operating activities (A)	(1,340.98)	844.70
B Cash flow from investing activities:		
Proceeds from sale of property, plant and equipment	4.00	29.37
Purchase of property, plant and equipment	(66.19)	(231.01)
(Increase)/ Decrease in Term Deposits	(13.98)	(217.74)
Interest received	35.24	18.52
Net cash flow from/(used in) investing activities (B)	(40.93)	(400.86)
C Net cash flow from financing activities:		
Repayments of short term borrowings	(53.24)	(60.07)
Repayments of long term borrowings	(273.11)	(490.90)
Proceeds from issuance of share capital and warrants	2,242.50	-
Finance cost paid	(17.11)	(15.89)
Net cash flow from/(used in) financing activities (C)	1,899.04	(566.86)
Net change in cash & cash equivalents (A+B+C)	517.13	(123.02)
Cash & cash equivalents as at the beginning of year	80.35	203.37
Cash & cash equivalents as at end of the year*	597.48	80.35
* Comprises		
Balances with banks in current account	589.34	77.65
Cash on hand	1.14	1.23
Cheques on hand	7.00	1.47
	597.48	80.35

Corporate information

1

Material accounting policies

2

See accompanying notes forming part of financial statements

As per our report of even date attached

For Ashwani & Associates

Chartered Accountants

Firm Registration Number: 000497N

by the hand of

Aditya Kumar
Partner
Membership No: 90895A
Place: Ludhiana
Date: 30th May, 2024

For and on behalf of the Board of Directors

For Garg Furnace Ltd.

Devinder Garg
Managing Director
DIN: 01665456

Vaneera Garg
Director
DIN: 01283990

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

GARG FURNACE LIMITED
STATEMENT OF CHANGES IN EQUITY
(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity Share capital

1) Current reporting period from 1st April, 2023 to 31st March, 2024		Balance as at the end of the current reporting period	
Balance at the beginning of the current reporting period	400.87	Changes in equity share capital during the current year	400.87
	-		
Balance as at the end of the current reporting period	400.87		400.87

B. Other Equity

2) Previous reporting period from 1st April, 2022 to 31st March, 2023		Balance as at the end of the current reporting period	
Balance at the beginning of the current reporting period	400.87	Changes in equity share capital during the current year	400.87
	-		
Balance as at the end of the current reporting period	400.87		400.87

(1) Current reporting period from 1st April, 2023 to 31st March, 2024

Particulars	Reserves and Surplus				Retained Earnings	Reassessment of Defined benefit obligation	Other Comprehensive Income	Movements received against share warrants	Total
	Capital Reserve	Securities Premium	General Reserve	Equity instruments through Other Comprehensive Income					
Balance at the beginning of the current period	23.50	565.31	1899.24	(839.01)	2.97		16.90	1,648.91	
Reassessment gain/(loss) of defined benefit obligation (net of income tax)					2.50			2.50	
Net (loss)/gain on FVOCI equity securities				555.84			0.47	0.47	
Profit for the year transferred from statement of profit and loss		1,110.00						555.84	
Issue of Equity/ Share Warrants		1675.31	1899.24	(883.17)	5.49		17.37	1,872.49	
Balance as at the end of the current period	23.50	1,675.31	1,899.24	(883.17)	5.49		17.37	4,410.23	

(2) Previous reporting period from 1st April, 2022 to 31st March, 2023

Particulars	Reserves and Surplus				Retained Earnings	Reassessment of Defined benefit obligation	Other Comprehensive Income	Movements received against share warrants	Total
	Capital Reserve	Securities Premium	General Reserve	Equity instruments through Other Comprehensive Income					
Balance at the beginning of the current period	23.50	565.31	1,899.24	(1,432.90)	0.79		16.52	1,072.40	
Reassessment gain/(loss) of defined benefit obligation (net of income tax)					2.18			2.18	
Net (loss)/gain on FVOCI equity securities				593.95			0.38	0.38	
Profit for the year transferred from statement of profit and loss			1,899.24	(839.01)	2.97		16.90	593.95	
Balance as at the end of the current period	23.50	565.31	1,899.24	(839.01)	2.97		16.90	1,644.91	

*As per our report of our date attached
 For Auditors & Associates J. ASSOCIATES
 Chartered Accountants
 Firm Registration Number: 000497N
 by the Auditor
 Aaliya Kumbhakar
 Partner
 Membership No.: 300555
 Place: Ludhiana
 Date: 30th May, 2024*

For and on behalf of the Board of Directors
POT GARG FURNACE Ltd.

[Signature]
 Director
 Managing Director
 DIN: 01665455

[Signature]
 Yashwanth Garg
 Director
 DIN: 01765190
 Chief Financial Officer

GARG FURNACE LIMITED

Notes to Financial Statements for the year ended 31st March, 2024

1. Corporate Information

Garg Furnace Limited ("the Company") (CIN: L99999PB1973PLC003385) is a public company domiciled in India and incorporated under the provisions of Companies Act. Its equity shares are listed on Bombay Stock Exchange Limited (BSE). The registered office of the Company is situated at Kanganwal Road, Ludhiana. The Company is engaged in the business of manufacturing and trading of Iron and Steel products such as M.S. Round, Ingot, Wire Rod etc.

The Financial Statements are approved for issue by Companies Board of Directors on 30th May, 2024

2. A. Material accounting policies / critical accounting estimates and judgements

I. Statement of Compliance

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards ("IND AS") specified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time. The financial statements have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

II. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. Functional and presentation currency

The functional currency of the company is Indian rupee (INR). The financial statements are presented in Indian rupees (INR) and all values are rounded to nearest lakh up to two decimals, unless otherwise stated.

IV. Use of estimates and judgements

The preparation of financial statements, in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

V. Current versus Non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle.

- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A Liability is treated as 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 non-current.



VI. Fair Value Measurement

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:

- (i) In the principal market for the asset or liability, or
- (ii) 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 are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares financial instruments
- Financial instruments

VII. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment if any. Freehold land is stated at cost and not depreciated. The Cost of an item of Property, Plant and Equipment comprises:

- Its purchase price net of recoverable taxes wherever applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.



GARG FURNACE LIMITED

Notes to Financial Statements for the year ended 31st March, 2024

- Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
- Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any, the obligation for which an entity incurs either where the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation on property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Depreciation is calculated on pro-rata basis from the date of installation till the date the asset is sold or discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

VIII. Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortisation and impairment if any. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method, estimated useful lives are reviewed periodically and at end of each reporting period.

IX. Impairment of Non-financial assets

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

X. Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores is computed on FIFO basis plus direct expenditure, Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

XI. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expense in the period in which they are incurred.

XII. Provisions, Contingent liabilities and Contingent Assets

Provisions 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.



GARG FURNACE LIMITED

Notes to Financial Statements for the year ended 31st March, 2024

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. A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

XIII. Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Garg Furnace Limited functional and presentation currency.

Foreign currency translations are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

XIV. Revenue recognition

The Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in a contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the Government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

"To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied."

Use of significant Judgements in Revenue Recognition

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The Company assesses its revenue arrangements against specific recognition criteria's like exposure to the significant risks and rewards associated with the sale of goods. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

Other Operating Revenue

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.



GARG FURNACE LIMITED

Notes to Financial Statements for the year ended 31st March, 2024

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

XV. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

XVI. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

XVII. Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.



GARG FURNACE LIMITED

Notes to Financial Statements for the year ended 31st March, 2024

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through OCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial instruments:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.



GARG FURNACE LIMITED

Notes to Financial Statements for the year ended 31st March, 2024

XVIII. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

XIX. Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, short term compensated absence and ex-gratia including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(ii) Post-employment 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 obligations at the end of the reporting period less the fair value of plan assets (if any). The defined benefit obligation is calculated annually as per Valuation report given by Actuary on the basis of Guidance issued by The Actuarial Society of India.

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 expenses in the statement of profit or loss.

Remeasurement 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 profit or loss as past service cost.

(iii) Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

XX. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. The managing committee is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in IND AS 108. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assess performance at this level. In the context of Ind AS 108 on 'Segment Reporting', the results are considered to constitute a single reportable entity/ business segment for which the operating results are regularly reviewed by the company's Chief Operating Decision Maker.

XXI. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after



GARG FURNACE LIMITED

Notes to Financial Statements for the year ended 31st March, 2024

the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

XXII. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing: The profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would be outstanding assuming the conversion of all dilutive potential equity shares.

XXIII. Assets Held for Sale;

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

XXIV. Events occurring after balance sheet date

There are no major events which have occurred after the balance sheet date requiring disclosure in the financial statements.

For Garg Furnace Ltd.


Director

For Garg Furnace Ltd.


Director



Garg Furnace Limited
Notes to the financial statements for the period ended 31st March, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

3 Property, Plant and Equipment

a) Reconciliation of carrying amount as at 31st March, 2024

	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross carrying value (deemed cost)							
Balance at 1st April, 2023	24.68	550.35	1,422.32	3.00	238.69	23.42	2,262.46
Additions made during the year	-	-	90.55	-	-	2.41	92.96
Disposals / adjustments during the year	-	-	(4.75)	-	-	-	(4.75)
Balance at 31st March, 2024	24.68	550.35	1,508.12	3.00	238.69	25.83	2,350.67
Accumulated Depreciation							
Balance at 1 April, 2023	-	132.14	564.54	2.72	72.66	12.67	784.74
Add: Depreciation charge for the year	-	18.98	115.37	0.01	19.44	3.24	157.04
Less: On disposals / adjustments during the year	-	-	(0.64)	-	-	-	(0.64)
Accumulated depreciation at 31st March, 2024	-	151.12	679.27	2.73	92.10	15.91	941.14
Carrying value (net)							
At 31st March, 2024	24.68	399.23	828.84	0.27	146.59	9.92	1,409.53
At 31st March, 2023	24.68	418.21	857.78	0.28	166.03	10.76	1,477.72

b) Reconciliation of carrying amount as at 31st March, 2023

	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross carrying value							
Balance at 1st April, 2022	24.68	550.35	1,489.99	3.00	75.43	20.14	2,163.59
Additions made during the year	-	-	37.70	-	163.26	3.28	204.24
Disposals / adjustments during the year	-	-	105.37	-	-	-	105.37
Balance at 31st March, 2023	24.68	550.35	1,422.32	3.00	238.69	23.42	2,262.46
Accumulated Depreciation							
Balance at 1st April, 2022	-	113.22	492.81	2.70	65.36	9.53	683.62
Add: Depreciation charge for the year	-	18.92	112.01	0.02	7.30	3.14	141.40
Less: On disposals / adjustments during the year	-	-	40.28	-	-	-	40.28
Accumulated depreciation at 31st March, 2023	-	132.14	564.54	2.72	72.66	12.67	784.74
Carrying value (net)							
At 31st March, 2023	24.68	418.21	857.78	0.28	166.03	10.76	1,477.72
At 31st March, 2022	24.68	437.13	997.18	0.30	10.07	10.61	1,479.97

Notes:

- No borrowing cost has been capitalized during the current and previous period.
- Vehicle Loans are secured by way of hypothecation of vehicles having carrying value of ₹ 105.53 lakhs
- The gross carrying amounts of plant and equipment includes staff cost of ₹ 1.25 lakhs (P.Y. ₹ 2.00 Lakhs) relating to project team involved in supervision and monitoring of projects.

For Garg Furnace Ltd.

[Signature]

Director

For Garg Furnace Ltd.

[Signature]

Director



Garg Furnace Limited

Notes to the financial statements for the period ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

3.1 Capital Work - in - progress

Particulars	As at		Capitalised	As at 31st March, 2024
	1st April, 2023	Additions		
Machinery under Erection	26.77	13.97	40.74	-

- The ageing/ completion schedule for Capital work in progress (CWIP) is as follows :

Particulars	Amount in CWIP for the year ended on 31st March, 2024				Total
	Capital work in progress (CWIP) ageing schedule as on 31st March, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Particulars	Amount in CWIP for the year ended on 31st March, 2023				Total
	Capital work in progress (CWIP) ageing schedule as on 31st March, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	26.77	-	-	-	26.77
Projects temporarily suspended	-	-	-	-	-

Particulars	To be completed in				Total
	Capital work in progress (CWIP) completion schedule as on 31st March, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Growth Projects	-	-	-	-	-
Environment, safety and compliance	-	-	-	-	-

Particulars	To be completed in				Total
	Capital work in progress (CWIP) completion schedule as on 31st March, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Growth Projects	-	-	-	-	-
Environment, safety and compliance	-	-	-	-	-

For Garg Furnace Ltd. For Garg Furnace Ltd.

[Signature]
Director

[Signature]
Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

4 Investments (Non-Current)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Investments in Equity Instruments		
Unquoted		
Investment carried at fair value through OCI (FVTOCI)		
2,12,000 (Previous year 2,12,000) fully paid up equity shares of ₹ 10 each of M/s Sudhir Forgings Private Limited.	38.57	38.09
	38.57	38.09

Aggregate amount of quoted investments and market value thereof,	-	-
Aggregate value of unquoted investments	38.57	38.09
Aggregate value of impairment in value of investments	-	-

5 Trade Receivables (Non-Current)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade Receivable which have significant increase in credit risk	123.72	134.47
- Less: Allowances for expected credit loss and doubtful receivables	(29.92)	(25.59)
	93.80	108.88

Expected credit loss allowance for trade receivable is based on historical credit loss experience and adjustment for forward looking information. The computation of expected credit allowance for trade receivables is based on the provision matrix. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in provision matrix

Trade Receivables Ageing schedule as at 31st March, 2024

Particulars	Outstanding for the following periods from date of transaction*					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	1.66	4.40	75.57	81.63
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	2.84	39.25	42.09
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	-	-	1.66	7.24	114.82	123.72
Less: Allowance for expected credit loss and doubtful receivables						(29.92)
Total Trade Receivables						93.80

Trade Receivables Ageing schedule as at 31st March, 2023

Particulars	Outstanding for the following periods from date of transaction*					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	10.42	4.41	58.04	72.87
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	0.87	2.84	57.89	61.60
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	-	-	11.29	7.25	115.93	134.47
Less: Allowance for expected credit loss and doubtful receivables						(25.59)
Total Trade Receivables						108.88

* There are no specific due date of payment specified in respect of trade receivables, as such the trade receivables ageing schedule is prepared on the basis of date of transaction.

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For Garg Furnace Ltd.

[Signature]
Director

For Garg Furnace Ltd.

[Signature]
Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Allowance for Expected Credit Loss (ECL)

Particulars	Financial Year	
	2023-24	2022-23
Allowances for expected credit loss and doubtful receivables		
Balance at the beginning of the period	25.59	25.59
Reversal of provision recognised	-	-
Expected credit loss*	4.33	-
Amount written off	-	-
Balance at the end of the period	29.92	25.59

*excludes provision for doubtful advances of ₹73.62 Lakhs (Previous year ₹73.62 Lakhs).

6 Other Financial Assets (Non-Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposits	281.55	207.12
Balances with banks to the extent held as margin money against borrowings and other commitments		
Fixed deposits account with original and remaining maturity of more than twelve months	2.00	2.00
	283.55	209.12

7 Other Non-Current Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advances other than capital advances :		
i) Advance to Supplier		
- Considered good - Unsecured	32.25	32.99
ii) Other Advances:		
- Considered good - Unsecured	-	75.00
- Considered doubtful - Unsecured	73.62	73.62
- Less: Provision for doubtful advances	(73.62)	(73.62)
	32.25	107.99

8 Inventories

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Valued at cost or net realisable value, whichever is lower)		
Raw Materials	365.25	625.72
Finished Goods	259.63	776.47
Stock-in-Trade	13.13	18.87
Store and Spares	124.80	125.65
	762.81	1,546.71

Notes:

- Inventories includes ₹ 70.34 Lakhs as at 31st March, 2024 and ₹ 789.16 lakhs as at 31st March, 2023 valued at net realisable value.
- Cost of inventory recognised as expense during the current period ₹ 2,22,01.68 lakhs (Previous year ₹ 20701.65 lakhs)

9 Trade Receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good)		
- Trade Receivables	2,253.59	1,762.47
	2,253.59	1,762.47

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For Garg Furnace Ltd.


 Director

For Garg Furnace Ltd.


 Director


GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Trade Receivables Ageing schedule as on 31st March, 2024

Particulars	Outstanding for the following periods from date of transaction*					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	2,252.96	0.63	-	-	-	2,253.59
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	2,252.96	0.63	-	-	-	2,253.59

Trade Receivables Ageing schedule as on 31st March, 2023

Particulars	Outstanding for the following periods from date of transaction*					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	1,749.39	13.08	-	-	-	1,762.47
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	1,749.39	13.08	-	-	-	1,762.47

* There are no specific due date of payment specified in respect of trade receivables, as such the trade receivables ageing schedule is prepared on the basis of date of transaction.

10 Cash and Cash Equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks		
- In current accounts	589.34	77.65
Cash on hand	1.14	1.22
Cheques on hand	7.00	1.48
	597.48	80.35

11 Other Bank Balances

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks to the extent held as margin money against borrowings and other commitments		
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	264.13	250.14
	264.13	250.14

12 Other Financial Assets (Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good)		
Interest Receivable	36.85	38.18
	36.85	38.18

13 Current Tax Assets (Net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance income tax/TDS/TCS	22.51	15.64
	22.51	15.64

14 Other Current Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good)		
Capital Advances		
Advances other than Capital Advances:	5.03	5.15
Advances to suppliers	12.26	13.13
Advances to employees	0.10	0.40
Balances with statutory authorities	46.81	41.89
Prepaid expenses	3.39	3.64
Other receivables	1.12	1.47
Balance and deposits with government department or others	232.21	150.00
	300.92	215.68

For Garg Furnace Ltd.

[Signature]
Director

For Garg Furnace Ltd.

[Signature]
Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

15 Equity Share Capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised capital Equity Shares of ₹ 10- each (par value)	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued, subscribed and Fully paid up. Equity Shares of ₹ 10- each (par value)	46,08,700	460.87	40,08,700	400.87

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Issued, subscribed and paid-up equity shares	40,08,700	400.87	40,08,700	400.87
Shares and share capital outstanding at the beginning of the period	6,00,000	60.00	-	-
Shares and share capital issued during the period	46,08,700	460.87	40,08,700	400.87
Shares and share capital outstanding at the end of the period				

b) Rights, Preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The Company has not declared dividend during the year ended 31st March, 2024

Rights attached to preference shares

The company has not issued preference shares during the current and previous year.

c) Details of shareholders holding more than 5% shares in the Company

Particulars	As on 31st March, 2024		As on 31st March, 2023	
	No of shares	% holding	No of shares	% holding
Shiv Narayan Investment Pvt Ltd	5,35,000	11.61%	5,35,000	13.35%
Devinder Garg	13,54,290	29.39%	10,54,290	26.30%
Toshak Garg	2,16,951	4.71%	2,16,950	5.41%
Vaneera Garg	13,67,510	29.67%	10,67,510	26.63%
Daksh Garg	2,10,550	4.57%	2,10,550	5.25%

d) There are no shares issued without payment being received in cash during the last five years.

e) There are no buy back of equity shares during the last five years.

f) There are no bonus shares issued during the last five years.

g) There is no holding / ultimate holding company of the company.

h) Shareholding of Promoter and Promoter Group

Sr No	Promoter Name	Shareholding of Promoter and Promoter Group as on 31st March, 2024			Shareholding of Promoter and Promoter Group as on 31st March, 2023		
		No. of Shares	% of total shares	% Change during the period	No. of Shares	% of total shares	% Change during the period
1	Davinder Garg	13,54,290	29.39%	28.46	10,54,290	26.30%	No change during the year
2	Vaneera Garg	13,67,510	29.67%	28.10	10,67,510	26.63%	
3	Toshak Garg	2,16,951	4.71%	-	2,16,951	5.41%	
4	Daksh Garg	2,10,550	4.57%	-	2,10,550	5.25%	
5	Davinder Garg & Sons	20,000	0.43%	-	20,000	0.50%	
6	Davinder Garg Karta of Davinder Garg & Sons	3,600	0.08%	-	3,600	0.09%	
7	Subhash Chandra Gupta	1,000	0.02%	-	1,000	0.02%	
8	Amarpreet Singh Thukral	1,000	0.02%	-	1,000	0.02%	
	Total Shares held by promoter and Promoter Group at the end of the period	31,74,901	68.89%		25,74,901	64.23%	

For Garg Furnace Ltd.

[Signature]
Director

For Garg Furnace Ltd.

[Signature]
Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

16 Other Equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Reserves and Surplus		
a. Capital Reserve		
Opening Balance	23.50	23.50
Add : Additions during the year	-	-
Closing Balance	23.50	23.50
b. Securities Premium		
Opening Balance	565.31	565.31
Add : Additions during the year	1,110.00	-
Closing Balance	1,675.31	565.31
c. General Reserve		
Opening Balance	1,899.24	1,899.24
Add : Additions during the year	-	-
Closing Balance	1,899.24	1,899.24
d. Retained Earnings		
Opening Balance	(839.01)	(1,432.96)
Profit for the year	555.84	593.95
Closing Balance	(283.17)	(839.01)
e. Remeasurements of defined benefit obligation		
Opening balance	2.97	0.79
Add: Other comprehensive income/(expense) net of tax impact	2.52	2.18
Closing balance	5.49	2.97
(ii) (Loss)/gain on fair valuation of equity investments through other comprehensive		
Opening balance	16.90	16.52
Add: Other comprehensive income/(expense) net of tax impact	0.47	0.38
Closing balance	17.37	16.90
(iii) Monies received against Share Warrants		
Opening Balance	-	-
Add: Received during the year	2,242.49	-
Less: Converted into equity shares	1,170.00	-
Closing Balance	1,072.49	-
Total	4,410.23	1,668.91

Nature and purpose of reserves**Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

Capital reserve


The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve. such reserve is utilised in accordance with provisions of the Act.

General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

-Remeasurements of defined benefit obligation: Remeasurements of defined benefit obligation comprises actuarial gains and losses and such gains and losses will never be classified to statement of profit and loss.

For Garg Furnace Ltd.



Director

For Garg Furnace Ltd.



Director


GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

Other comprehensive income:

-(Loss)/gain on fair valuation of equity investments through other comprehensive income The cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of taxes and such gains and losses will never be classified to statement of profit and loss.

Monies received against share warrants

Particulars	As at 31st March, 2024	As at 31st March, 2023
22,00,000 (Previous Year Nil) equity warrants, allotted on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of ₹10/- each at a premium of ₹185/- per share for every warrant held, within 18 months from the date of allotment, i.e. from 15th December, 2023 (25% of price fixed has been received from warrant holders from their own bank account)	1,072.49	-

During the year the Company has issued 28,00,000 warrants at a price on ₹ 195/- per warrant on preferential basis to persons/ entity belonging to promoter group and non-promoter group of the Company for consideration payable through electronic means/ banking channels with an option to subscribe to an equity share of face value of ₹ 10/- at a price of ₹ 195/- per equity share including premium of ₹ 185/- per share for each warrant with in the period of eighteen months from the date of allotment of warrant i.e. from 15th December, 2023.

Out of 28,00,000 warrants, the Company on 27th March, 2024 has converted 6,00,000 warrants into equity share of face value of ₹10 at a price of ₹ 195/- per equity share including premium of ₹185/- per share for each warrant.

For Garg Furnace Ltd.
[Signature]
Director

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For Garg Furnace Ltd.
[Signature]
Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

17 Borrowings (Non-Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
1.) Term Loan- Secured		
From financial institution- Indian Rupees	80.14	89.54
2.) Other Loans- Unsecured		
From related parties	-	263.70
From others	60.00	60.00
	140.14	413.24

Terms of Repayment	Repayment details of loan outstanding as at 31st March, 2024 (including current maturities)
Term Loan (Secured) : Vehicle Loan	
i) Loan repayable in monthly instalments, Total number of instalments pending are 33 as on 31st March, 2024	
ii) Term Loans are secured by way of hypothecation of vehicles	89.54
Other loans (unsecured) :	
i) Repayable on demand	60.00

Terms of Repayment	Repayment details of loan outstanding as at 31st March, 2023 (including current maturities)
Term Loan (Secured) : Vehicle Loan	
i) Loan repayable in monthly instalments, Total number of instalments pending are 45 as on 31st March, 2023	
ii) Term Loans are secured by way of hypothecation of vehicles	98.02
Term Loan (Unsecured) : Loan Against Property	
i) Loan repayable in monthly instalments, Total number of instalments pending are 5 as on 31st March, 2023	
ii) The term loan from HDB Financial Services Ltd is secured against residential properties/plots in the name of Executive Directors and their relatives.	54.17
Loans from Related Parties (Unsecured) :	
i) Repayable on demand	263.70
Other loans (unsecured) :	
i) Repayable on demand	60.00

18 Provisions (Non-Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Employee Benefits	18.88	17.62
	18.88	17.62

19 Borrowings (Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured		
Current maturities of long-term borrowings (Vehicle Loan)	9.41	8.48
Unsecured		
Current maturities of long-term borrowings (Loan against Property)	-	54.17
	9.41	62.65

For Garg Furnace Ltd.

Director

For Garg Furnace Ltd.

Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

20 Trade Payables (Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Outstanding dues of micro enterprises and small enterprises	2.13	6.75
Outstanding dues of creditors other than micro enterprises and small enterprises	608.53	874.10
	610.66	880.85

Trade Payables Ageing schedule as on 31st March, 2024

Particulars	Outstanding for following periods from due date of transaction*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.13	-	-	-	2.13
(ii) Others	606.63	1.90	-	-	608.53
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	-	-
Total	608.76	1.90	-	-	610.66

Trade Payables Ageing schedule as on 31st March, 2023

Particulars	Outstanding for following periods from due date of transaction*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	6.75	-	-	-	6.75
(ii) Others	803.59	70.51	-	-	874.10
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	-	-
Total	810.34	70.51	-	-	880.85

* There are no specific due date of payment specified in respect of trade payables, as such the trade payables ageing schedule is prepared on the basis of date of transaction.

21 Other Financial Liabilities (Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest accrued but not due on borrowings	0.55	-
Cheque issued but not presented	19.78	528.97
Other payable	1.58	-
	21.91	528.97

22 Other Current Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance from customers	17.35	1,529.28
Statutory remittances	125.08	99.40
Other Payable	275.68	270.30
	418.11	1,898.98

* Statutory remittance includes contribution to provident fund, ESI, punjab labour welfare fund and tax deducted at source, etc.

23 Provisions (Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Employee Benefits	5.78	5.65
	5.78	5.65

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For Garg Furnace Ltd.

 Director

For Garg Furnace Ltd.

 Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

24 Revenue from operations

Particulars	As at 31st March, 2024	As at 31st March, 2023
Sale of products (Net of GST)	21,959.47	22,292.83
Sale of Stock in Trade	3,843.11	1,531.59
	25,802.58	23,824.42

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the year ended 31st March, 2024 and 31st March, 2023 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Details of product Sold		
Non Alloy Steel round	13,401.01	12,462.00
End Cutting	270.65	464.46
Wire rod	4,265.92	4,057.11
Billets	2,493.47	3,132.99
Alloy Steel round	20.93	134.66
M.S. Scrap	1,420.61	1,004.08
Others	86.88	1,037.53
	21,959.47	22,292.83

25 Other Income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income	33.92	18.52
Other non-operating income:		
Rental Income	1.80	1.81
Commission & Brokerage	83.79	-
Sundry Balances Written Back	9.90	-
Miscellaneous Income	3.34	0.12
	132.75	20.45

26 Cost of materials consumed

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening stock	625.72	820.38
Add : Purchases (Net)	17,703.45	18,752.40
Less: Closing Stock	365.25	625.72
	17,963.92	18,947.06

Detail of material consumed	For the year ended 31st March, 2024	For the year ended 31st March, 2023
M.S. Scrap	17,721.53	17,757.38
Silicon Magnesium	125.34	178.16
Nickle	49.60	48.25
Others	67.45	963.28
	17,963.92	18,947.07

27 Change in inventories of finished goods, stock in trade and work -in-progress

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening stock		
Finished Goods / Stock in Trade	795.34	835.65
Less: Closing Stock		
Finished Goods / Stock in Trade	272.76	795.34
Net (Increase)/decrease in inventory	522.58	40.31

For Garg Furnace Ltd.

Director

For Garg Furnace Ltd.

Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

28 Employee benefits expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salary, Wages and other Allowances	163.11	187.65
Contribution to Provident and other funds	2.53	2.97
Staff Welfare Expenses	-	1.07
	165.64	191.69

29 Finance costs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest Expense	5.58	2.01
-working capital	12.07	13.41
-other borrowings	-	0.47
Other Borrowings Cost		
	17.65	15.89

30 Depreciation and amortisation expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation of property, plant and equipment (refer note 3)	157.04	141.41
	157.04	141.41

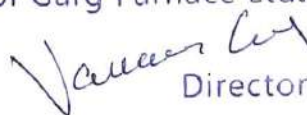
31 Other expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Manufacturing Expenses		
Consumption of Stores and Spares	297.28	297.88
Machinery Repairs and Maintenance	7.40	8.87
Power and Fuel	2,226.49	2,030.73
Testing Charges	0.04	0.03
	2,531.21	2,337.51
Administrative & Other Expenses		
Rates and Taxes	4.25	6.79
Corporate Social Responsibility Expenses	5.08	3.51
Insurance charges	5.85	3.64
Repairs and Maintenance:		
Vehicle	13.02	22.17
Building	0.97	1.44
Others	0.69	0.92
Loss on Sale of Property, Plant and Equipment	0.11	35.72
Allowances for expected credit loss and doubtful receivables	4.33	-
Auditor's Remuneration*	4.25	4.25
Selling and Distribution Expenses	3.86	5.71
Miscellaneous Expenses	44.30	24.01
	2,617.91	2,445.67

For Garg Furnace Ltd.


 Director

For Garg Furnace Ltd.


 Director


GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

32 Earnings per share (EPS) (Ind AS 33)

The Company's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
Earnings Per Share has been computed as under:			
Profit for the year attributable to the Equity holders of the Company	A	555.84	593.95
Weighted average number of equity shares (number)	B	4015257	4008700
Weighted average number of equity shares in computing diluted earning per share (number)	C	4792371	4008700
Basic earnings per share (₹)	A/B	13.84	14.82
Diluted earnings per share (₹)	A/C	11.60	14.82
Face value per equity share (₹)		10	10

Proposed dividend, if any on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting.

33 Contingent Liabilities and Commitments (To the extent not provided for)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Claims against the Company not acknowledged as debt*	259.78	259.78
(b) Bank Guarantees in favour of suppliers and others.	22.39	22.39
	282.17	282.17

*The company has received the demand notice from Punjab State Power Corporation Limited charging the interest to the tune of ₹ 259.78 Lakhs out of which ₹ 232.21 Lakhs has been paid under protest during the year as per court order, the said interest is levied on surcharge of ₹ 723.06 Lakhs which was fixed and paid in pursuance of the judgement passed by the Hon'ble Supreme Court. The company has filed Civil Writ Petition in the High Court of Punjab and Haryana, Chandigarh against such demand and has received stay order from the court. Company based on the data available and internal assessment, believes that the demand will be quashed and hence, disclosed the demand as contingent liability.

For Garg Furnace Ltd.

[Signature]
Director

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For Garg Furnace Ltd.

[Signature]
Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

34 Employee benefits**A. Defined benefit plan: Gratuity (unfunded)**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) Changes in the present value of the obligation

Particulars	As at 31st March, 2024	As at 31st March, 2023
Present value of obligation as at the beginning of the year	18.07	15.48
Interest cost	1.32	1.12
Current service cost	3.99	3.65
Benefits paid	(0.39)	-
Remeasurement - actuarial (gain) / loss	(2.52)	(2.18)
Present value of obligation as at the end of the year	20.47	18.07

(ii) Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2024	As at 31st March, 2023
Present value of the defined benefit obligation as at the end of the year	20.47	18.07
Fair value of plan assets as at the end of the year	-	-
Net asset/(liability) recognised in the Balance Sheet	20.47	18.07

(iii) Expense recognised in the statement of profit and loss

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current service cost	3.99	3.65
Net Interest cost	1.32	1.12
Interest income on plan assets	-	-
(Income)/Expense recognised in the statement of profit and loss	5.31	4.77


(iv) Re-measurement of the net defined benefit liability / (asset)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	(2.52)	(2.18)
Actuarial (gain)/loss for the year on plan assets	-	-
Total Actuarial (gain)/loss at the end of the year	(2.52)	(2.18)


(v) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non current

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current liability (amount due within one year)	3.69	3.09
Non current Liability (amount due over one year)	16.78	14.98
Total PBO at the end of the year	20.47	18.07

For Garg Furnace Ltd.


 Director

For Garg Furnace Ltd.


 Director


GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

(vi) Bifurcation of actuarial (gain) / loss

Particulars	As at 31st March, 2024	As at 31st March, 2023
Actuarial (Gain) / loss on arising from change in demographic assumption	-	-
Actuarial (Gain) / loss on arising from change in financial assumption	0.09	(0.06)
Actuarial (Gain) / loss on arising from change in experience assumption	(2.61)	(2.12)
	(2.52)	(2.18)

(vii) Principal actuarial assumptions at the Balance Sheet date

Particulars	As at 31st March, 2024	As at 31st March, 2023
Mortality Table	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate
Attrition rate	20.00%	20.00%
Imputed Rate of return/ Discount rate (per annum)	7.23%	7.37%
Rate of increase in compensation levels (per annum)	8.00%	8.00%
Average remaining working lives of employees (years)	19.09	20.57
Method used	Projected unit credit	Projected unit credit

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(viii) Actuarial risks exposures and Sensitivity cum Scenario Testing

Actuarial Valuations are based on assumptions which are dynamic in nature and vary over time. As such entity is exposed to various risks as follows:	SENSITIVITY CUM SCENARIO TESTING (GRATUITY)				
	SR	IROI	AR	AVGL(RS.)	Difference over base
<p>a) Salary increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.</p> <p>b) Imputed Rate of Return (IROR) - Reduction in discount rate in subsequent valuations can increase the plan's liability.</p> <p>c) Mortality - Actual deaths proving lower or higher than assumed in the valuation can impact liabilities</p> <p>d) Withdrawals - Actual withdrawals proving higher or lower than that assumed and change of withdrawals rates at subsequent valuations can impact Plan's liability.</p>	-1.00	-1.00	-1.00	2063688	16,685.00
	-1.00	0.00	-1.00	1998959	(48,044.00)
	-1.00	1.00	-1.00	1938609	(1,08,394.00)
	-1.00	-1.00	0.00	2047463	460.00
	-1.00	0.00	0.00	1985395	(61,608.00)
	-1.00	1.00	0.00	1927387	(1,19,616.00)
	-1.00	-1.00	1.00	2031940	(15,063.00)
	-1.00	0.00	1.00	1972304	(74,699.00)
	-1.00	1.00	1.00	1916467	(1,30,536.00)
	0.00	-1.00	-1.00	2132095	85,092.00
	0.00	0.00	-1.00	2063206	16,203.00
	0.00	1.00	-1.00	1999091	(47,912.00)
	0.00	-1.00	0.00	2112912	65,909.00
	0.00	0.00	0.00	2047003	-
	0.00	1.00	0.00	1985524	(61,479.00)
	0.00	-1.00	1.00	2094695	47,692.00
0.00	0.00	1.00	2031498	(15,505.00)	
0.00	1.00	1.00	1972427	(74,576.00)	
1.00	-1.00	-1.00	2204356	1,57,353.00	
1.00	0.00	-1.00	2130935	83,932.00	
1.00	1.00	-1.00	2062731	15,728.00	
1.00	-1.00	0.00	2181885	1,34,882.00	
1.00	0.00	0.00	2111804	64,801.00	
1.00	1.00	0.00	2046551	(452.00)	
1.00	-1.00	1.00	2160675	1,13,672.00	
1.00	0.00	1.00	2093631	46,628.00	
1.00	1.00	1.00	2031065	(15,938.00)	

SENSITIVITY CUM SCENARIO TESTING TABLE (GRATUITY)

The table reflects change in liabilities that will result from change in assumption in respect of salary rise, imputed rate of return and attrition rates. Deviation in expected mortality is of less significance and thus not included in analysis

For Garg Furnace Ltd.

Director

For Garg Furnace Ltd.

Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

B. Contribution to Provident Fund

The company has recognized an expense of ₹ 1.14 Lakhs (Previous year ₹ 1.06 Lakhs) in respect of contribution to Provident Fund.

35 Segment Reporting

The Company is engaged in the business of manufacturing of Iron and Steel Products such as M.S. Round, Billet, Wire Rod etc. In the context of Ind AS 108 on 'Segment Reporting', the results are considered to constitute a single reportable entity/ business segment for which the operating results are regularly reviewed by the company's Chief Operating Decision Maker.

Revenue for the Current and Previous Year from Domestic & Export Sale is as below :

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revenue from Domestic Sales	25,802.58	23,824.42
Total Revenue	25,802.58	23,824.42

The following are the details of the revenues generated from the top 1 customer of the Company

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revenue from Top 1 Customer (Amount)	3,163.50	2,120.47
Revenue from Top 1 Customer (Percentage)	12.26%	8.90%
Revenue from Other Customers (Amount)	22639.08	21,703.95
Revenue from Other Customers (Percentage)	87.74%	91.10%
Total Revenue	25,802.58	23,842.42

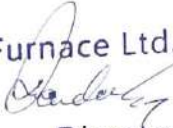
36 Dues to Micro, Small and Medium Enterprises (MSME)

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.13	6.75
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	-	-
(iii) The amount of interest paid by the buyer in terms of Section 16 of the MSME Act, along with the amount of payment made to the suppliers beyond the appointed day during each accounting year	-	-
(iv) The amount of interest paid along with the amount of payment made to the suppliers beyond the appointed day	-	-
(v) The amount of interest due and payable for a period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSME act.	-	-
(vi) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vii) The amount of further interest due and payable even in succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23	-	-

37 Disclosure pursuant to Ind AS-116 Leases**Company as a Lessor**

The rental income on assets given on operating lease to the M/s Vaneera Industries Limited was ₹ 1.80 lakhs for the year ended 31st March, 2024 (Previous year ₹ 1.80 lakhs).

For Garg Furnace Ltd.

 Director

For Garg Furnace Ltd.

 Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ in Lakhs, unless otherwise stated)

38 Related party disclosure as per Ind AS 24

In accordance with the requirements of IND AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

a) Related party and their relationship:-

Nature of relationship	Name of related party/ KMP
(i) Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control	Vaneera Industries Limited Avtar Exports Private Limited Devinder Garg & Sons HUF
(ii) Key management personnel (KMP)	Devinder Garg (Managing Director) Toshak Garg (Managing Director)(w.e.f. 14.08.2023) Vaneera Garg (Whole-time Director) Amandeep Kaur (Independent Director) (w.e.f. 01.04.2023) Jyoti Batra (Independent Director) (w.e.f. 27.04.2023) Purvi Katyal (Independent Director)(w.e.f. 14.08.2023) Dharam Chand (Independent Director)(upto 15.10.2022) Manjeet Singh (Independent Director)(upto 2022) Gurmeet Singh Battu (Chief Financial Officer) Supreena Tagra (Company Secretary) (w.e.f. 15.07.2022) Chandni Jain (Company Secretary)(upto 25.06.2022)
(iii) Relatives of Key Management Personnel	Daksh Garg Nivedita Garg Ridhima Goyal

(b) Details of transactions entered into with related parties during the year as required by Ind AS 24 on "Related Party Disclosures" of Companies (Indian Accounting Standards) Rules 2015.

(i) Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Purchase of goods -From Vaneera Industries Limited	197.21	339.96
Sales of Goods -To Vaneera Industries Limited	3,730.81	2,502.15
Rent received -From Vaneera Industries Limited	2.12	2.12
(ii) Key management personnel (KMP) and Relatives of KMP		
Managerial Remuneration*	32.16	26.85
Unsecured Loan received	1,386.80	806.50
Unsecured Loan Repaid	1,650.50	1,301.09

(c) Details of balances outstanding as at year end

Particulars	As at 31st March, 2024	As at 31st March, 2023
Amount Receivable on the last day of the year		
Trade Receivable against sale of goods: Vaneera Industries Limited	315.97	
Amount Payable on the last day of the year		
Advance against Sale of Goods (Payable) -From Vaneera Industries Limited	-	1,523.28
Closing Balance of Loans (Payable)	-	263.70
Managerial Remuneration (Payable)*	1.81	32.34

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

*(ii) Long-term employee benefits for Key Managerial Personnel:
The managerial personnel are covered by Company's gratuity policy and are eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

For Garg Furnace Ltd.
Devinder Garg
Director

For Garg Furnace Ltd.
Vaneera Garg
Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts ₹ in Lakhs, unless otherwise stated)

39 Disclosures of Financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:

As at 31st March, 2024

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets:							
Non-Current Investments				38.57		38.57	38.57
Other Financial Non-Current Assets	283.55					283.55	283.55
Trade Receivables	2,347.39					2,347.39	2,347.39
Cash and Cash Equivalents	597.48					597.48	597.48
Other Bank Balances	264.13					264.13	264.13
Other Financial Current Assets	36.85					36.85	36.85
Total	3,529.39	-	-	38.57	-	3,567.96	3,567.96
Financial Liabilities:							
Long Term Borrowings	140.14					140.14	140.14
Short Term Borrowings	9.41					9.41	9.41
Trade Payables	610.66					610.66	610.66
Other Financial Current Liabilities	21.91					21.91	21.91
Total	782.11	-	-	-	-	782.11	782.11

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:

As at 31st March, 2023

Particulars	Amortized cost	At fair value through		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets:							
Non-Current Investments				38.09		38.09	38.09
Other Financial Non-Current Assets	209.12					209.12	209.12
Trade Receivables	1,871.35					1,871.35	1,871.35
Cash and Cash Equivalents	80.35					80.35	80.35
Other Bank Balances	250.14					250.14	250.14
Other Financial Current Assets	38.18					38.18	38.18
Total	2,449.14	-	-	38.09	-	2,487.23	2,487.23
Financial Liabilities:							
Long Term Borrowings	413.24					413.24	413.24
Short Term Borrowings	62.65					62.65	62.65
Trade Payables	880.85					880.85	880.85
Other Financial Current Liabilities	528.97					528.97	528.97
Total	1,885.71	-	-	-	-	1,885.71	1,885.71

(b) Basis of Fair value of Financial assets and liabilities

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in 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 for the assets or liabilities that are not based on observable market data (unobservable inputs).

For Garg Furnace Ltd.

[Signature]
Director

For Garg Furnace Ltd.

[Signature]
Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts ₹ in Lakhs, unless otherwise stated)

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31st March, 2024

Particulars	Fair Value	Fair Value measurement using			Valuation technique(s) and key input(s)
		Level 1	Level 2	Level 3	
Financial assets					Book value as per the previously audited financial statements
Non-current investments at fair value through OCI	38.57		38.57		
Total	38.57	-	38.57	-	

As at 31st March, 2023

Particulars	Fair Value	Fair Value measurement using			Valuation technique(s) and key input(s)
		Level 1	Level 2	Level 3	
Financial assets					Book value as per the previously audited financial statements
Non-current investments at fair value through OCI	38.09		38.09		
Total	38.09	-	38.09	-	

40 Financial Risk Management

The financial assets of the company include investments, trade and other receivables and cash and bank balances that derive directly from its operations. The financial liabilities of the company include loans and borrowings, trade payables, and other payables, and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The company is mainly exposed to the following risks that arise from financial instruments:

- (i) Market risk
- (ii) Liquidity risk
- (iii) Credit risk

The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk.

(a) Foreign currency risk

The company during the year is not exposed to any foreign currency risk as there are no dealings in foreign exchange

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company's total long-term debt obligations (including current maturities) as at 31st March, 2024 is ₹ 149.54 Lakhs (previous year ₹ 475.89 Lakhs) out of which are borrowings amounting to ₹ 89.54 Lakhs (previous year ₹ 152.19 Lakhs) is interest bearing and with variable rate of interest. The balance borrowings amounting to ₹ 60.00 Lakhs (previous year ₹ 323.71 Lakhs) is interest free loan repayable on demand.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Variable rate instruments	Carrying amount	
	Financial Year	Financial Year
	2023-24	2022-23
Long term borrowings	80.13	89.54
Short term borrowings (Current maturities of long term debt)	9.41	62.65

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Variable rate instruments	Financial Year	Financial Year
	2023-24	2022-23
Increase/ (decrease) in 100 basis point	0.90	1.52

For Garg Furnace Ltd:

[Signature]
Director

For Garg Furnace Ltd.

[Signature]
Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts ₹ in Lakhs, unless otherwise stated)

(ii) Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	Financial Year	
	2023-24	2022-23
Borrowings including current maturities	149.54	475.89
Less than 1 year	9.41	62.64
1-2 year	70.44	8.66
2-5 year	69.69	404.59
5-10 year	-	-
Later	-	-
Short term borrowings	-	-
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	610.66	880.85
Less than 1 year	610.66	880.85
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	21.91	528.97
Less than 1 year	21.91	528.97
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-

(iii) Credit Risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The company assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following table gives details in respect of percentage of revenues generated from top one customer and other customers:

Particulars	Financial Year	
	2023-24	2022-23
Top 1 Customer (%)	12.26%	8.90%
Other Customer (%)	87.74%	91.10%

Credit Risk Exposure

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on historical credit loss experience and adjustments for forward looking information

Particulars	Financial Year	
	2023-24	2022-23
Less than one year	2253.59	1762.47
More than one year	123.72	134.47

The allowance for lifetime expected credit loss on customer balances for the year ended 31st March, 2024 was ₹ 29.92 Lakhs (previous year ₹ 25.59 Lakhs).

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

For Garg Furnace Ltd.

Director

For Garg Furnace Ltd.

Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

*(All amounts ₹ in Lakhs, unless otherwise stated)***41 Capital Management**

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

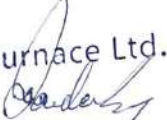
The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

Particulars	Financial Year	
	2023-24	2022-23
Borrowings including current maturities and interest accrued but not due	149.54	475.89
Less: Cash & cash equivalent and other bank balances	861.60	330
Net debt (A)	(712.06)	475.89
Total equity (B)	4,871.10	2,069.78
Gearing ratio (A/B)	N.A.	22.99%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31st March, 2024 and 31st March, 2023.

For Garg Furnace Ltd.

 Director

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For Garg Furnace Ltd.

 Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

(All amounts ₹ in Lakhs, unless otherwise stated)

42 Reconciliation of Cash flow from Financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17th March, 2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 "Statement of Cash Flows" for the period beginning on 1st April, 2017

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 1st April, 2023 coming under the financing activities of Cash Flow Statement	-	475.89
a) Changes from financing cash flow	-	(326.35)
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
Closing balance of Financial liabilities as on 31st March, 2024 coming under the financing activities of Cash Flow Statement	-	149.54

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 1st April, 2022 coming under the financing activities of Cash Flow Statement	-	1,026.86
a) Changes from financing cash flow	-	(550.97)
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
Closing balance of Financial liabilities as on 31st March, 2023 coming under the financing activities of Cash Flow Statement	-	475.89

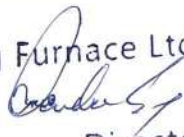
43 In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account

44 Auditor's Remunerations

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory Audit Fee	4.00	3.45
Tax audit fee	0.25	0.30
	4.25	3.75

45 Figures in bracket indicate deductions.

For Garg Furnace Ltd.



Director

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For Garg Furnace Ltd.



Director



GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

All amounts in Lakhs, unless otherwise stated

46 Expenditure on Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "CSR Rules"), a company, meeting the applicability criteria requires to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities as provided in Schedule VII of the Companies Act, 2013. The CSR activities are monitored by the CSR Committee formed by the Board of Directors in accordance with the provisions of the Section 135 of the Companies Act 2013 read with CSR Rules.

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Amount required to be spent on CSR by the Company during the year	5.08	3.51
Amount of expenditure incurred	5.08	3.51
Shortfall if any, at the end of the year	-	-
Total of previous years shortfall	Not Applicable	Not Applicable
Nature of CSR activities	Promoting education, healthcare, eradication of hunger and malnutrition, environment sustainability, disaster relief and rural development projects.	
Detail of related party transaction in relations to CSR expenditure as per relevant Indian Accounting Standard	-	

47 Additional Regulatory Information

Sr. No	Additional Regulatory Information	Remarks
1	Title deeds of Immovable Property not held in the name of the Company	The company has no such immovable properties whose title deeds are not held in the name of the company and no such immovable property is jointly held with others.
2	Fair valuation of investment property	Not Applicable
3	Revaluation of Property, Plant and Equipment and Right-of-Use Assets	The Company has not revalued its Property, Plant & Equipment during the year. The Company does not have any Right-of-use-assets during the year.
4	Revaluation of Intangible assets	Not Applicable
5	Loans or advances to specified persons	There are no loans and advances granted to promoters, directors and KMP's during the year.
6	Intangible assets under development	Not Applicable
7	Details of Benami Property held	There is no Benami Property held by the company.
8	Borrowings secured against current assets	The Company has no borrowings from banks on the basis of security of current assets.
9	Willful Defaulter	The Company is not declared as willful defaulter by any bank or financial Institution or other lender during the year.
10	Relationship with Struck off Companies	As per management, there is no relationship of the company with struck off companies
11	Registration of charges or satisfaction with Registrar of Companies (ROC)	There are no charges or satisfaction of charges yet to be registered with ROC beyond the statutory time period.
12	Compliance with number of layers of companies	Not Applicable
13	Compliance with approved Scheme(s) of Arrangements	Not Applicable
14	Utilisation of Borrowed funds and share premium	Not Applicable
15	Undisclosed Income	There is no undisclosed income during the year.
16	Crypto currency or virtual currency	The company has not traded or invested in crypto currency or virtual currency during the year.

48 Analytical Ratios

S.No	Particulars	Numerator	Denominator	2023-24	2022-23	Variance (in %age)	Reasons
1	Current Ratio	Current Assets	Current Liabilities	3.98	1.16	243.52	Due to reduction in balance of current liabilities.
2	Debt-Equity Ratio	Total debt	Total Equity	0.03	0.23	(86.65)	Due to repayment of major amount of debt during the year.
3	Debt Services coverage Ratio	Earnings available for debt service	Gross Interest+Repayment of loan, unsecured loan	42.10%	52.97%	(20.52)	
4	Return on equity ratio (ROE)	Net profit after Tax	Average Shareholders Equity	16.02%	33.53%	(52.23)	Due to decrease in net profit and increase in Share Capital during the year.
5	Inventory Turnover Ratio (in days)	Revenue from Operations	Average Inventory	22.34	14.75	51.54	Due to decrease in Inventory as at year end.
6	Trade receivable turnover ratio (in days)	Credit Sales	Average Trade Receivables	12.23	15.81	(22.61)	
7	Trade payable turnover ratio (in days)	Credit Purchases	Average Trade Payables	29.02	25.07	15.73	
8	Net capital turnover ratio	Turnover	Working capital	8.13	44.78	(81.84)	Due to increase in working capital as at year end.
9	Net profit ratio	Net profit after Tax	Turnover	2.14%	2.49%	(14.06)	
10	Return on capital employed (ROCE)	EBIT	Tangible Net Worth Total debt+Deferred Tax Liabilities	11.42%	23.94%	(52.28)	Due to repayment of major amount of debt during the year.
11	Return on Investment	Return on investments	Investments	-	-	-	There are no return on investments.

49 Previous year figures have been regrouped/recasted/rearranged wherever necessary to conform to its classification of the current year.

As per our report of issue date attached

For Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

Aditya Kumar
Partner
Membership No.: 50685
Place: Ludhiana
Date: 30th May, 2024



For and on behalf of the Board of Directors

For Garg Furnace Ltd.

Devinder Garg
Devinder Garg
Managing Director
DIN: 01665456

Suprena Tagra
Suprena Tagra
Company Secretary

Vaneera Garg
Vaneera Garg
Director
DIN: 01283990

Gurmeet Singh Bhatu
Gurmeet Singh Bhatu
Chief Financial Officer