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**GARG
FURNACE LTD.**

September 07, 2024

To

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400001

Subject: Press Release relating to strategic acquisition of not less than 51% equity stake in Vaneera Industries Pvt. Ltd.

530615 | INE194E01015

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Press Release dated 07th September, 2024 being issued by the Company for dissemination to the investors and public.

The same is for your information and record please.

Thanks and Regards

For Garg Furnace Limited

**Devinder Garg
Managing Director
DIN: 01665456**

Garg Furnace Ltd. to make strategic investment & acquire not less than 51% equity stake in Vaneera Industries Pvt. Ltd.

07th September, 2024, Ludhiana: Garg Furnace Limited, a BSE listed Company (530615 | INE194E01015), has today (07th September, 2024) decided and approved to make strategic investment by acquiring not less than 51% equity stake in Vaneera Industries Private Ltd. (**'VIL'**), thereby making it as subsidiary company.

About Vaneera Industries Private Ltd.

Vaneera Industries Private Ltd. has already obtained Environmental Clearance (**'EC'**) from Central Pollution Control Board, and is in process of setting up of manufacturing facility for two broad specialised products -

a) Alloy Steel Division – The alloy steel division at VIL will focus on the production of alloy steel ingots, rounds, and bars, with a planned total capacity of 204,000 MT per annum. In addition, VIL will be introducing following techniques and technologies in manufacturing value added alloy steel –

- Electromagnetic stirring (**'EMS'**);
- Ladle Refining Furnace (**'LRF'**);
- Vacuum Degasser (**'VD'**);

These products cater to highly specialized industries including automobile, auto components, engineering, etc.

As a first phase, VIL will be setting up manufacturing facility with total capacity of 102,000 MT per annum, which is expected to start commercial production in October 2025. Balance capacity of 102,000 MT is expected to start commercial production in June 2026.

b) Screws & Fasteners Division – Self Drilling Screws – This division will focus on the production of self-drilling screws with investment in advanced machinery and technology from Taiwan, under the own brand name **'TAGIT'**. This product is actually import substitution product.

Self-drilling screws offer unparalleled advantages to the users including fast installation time, reduced labour costs and innovative design that eliminates the need for pre-drilling, thus significantly reducing production costs. Self-drilling screws have application across industries like construction, manufacturing, solar, automotive, electrical, etc.

To start with, VIL is set up a manufacturing facility of self-drilling screws with small capacity of 1,200 MT per annum, which is expected to start commercial production in November 2024. VIL has aggressive plans to ramp up the production capacity for self-drilling screws in future.

Press Release

For immediate circulation

Garg Furnace Ltd.

Commenting on the above development, Mr. Devinder Garg, Chairman of Garg Furnace Limited said -

“As part of this acquisition, we will be expanding our operations into the alloy steel and screws & fasteners sector. We anticipate that this expansion by way of acquisition will lead to increased profitability margins due to the high value-added nature of these products and import substitution in case of self-drilling screws. Our commitment to quality & focus on specialised products is underscored by our investment in techniques and technology like EMS, LRF & VD in case of alloy steel, and import of advanced machinery & technology from Taiwan for self-drilling screws. Moreover, the government’s recent ban on imports of screws priced below Rs 129 per kg supports our strategy to bolster local manufacturing.

We are confident that this strategic initiative will significantly bolster our market presence and capabilities and will put the company on the amazing growth trajectory. We remain dedicated to delivering enhanced value to our shareholders and are grateful for the ongoing support from our stakeholders.”

Safe Harbour Statement/ Disclaimer

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, potential project characteristics, project potential and target dates for project related issues are forward- looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.