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**GARG
FURNACE LTD.**

CIN: L99999PB1973PLC003385
Regd. Off: Kanganwal Road, V.P.O Jugiana
G. T. Road, LUDHIANA-141120
Web: gargfurnaceltd.com

15/11/2017

The Stock Exchange Mumbai.
Ist Floor. New Training Ring,
Rotunda Building, P J Towers,
Dalal Street, Mumbai

Sub: Submission of documents as on. 30/09/2017

- Unaudited Financial Results as per IND AS - under Regulation no 33

Dear Sir,

On the captioned subject, enclosed please find the followings documents as on. 30/09/2017, under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- Unaudited Financial Results as per IND AS with Limited Review thereon - under Regulation no 33

Your good office is requested to take on record the above said informations.

Thanking You,

Yours Faithfully,
For Garg Furnace Limited

Devinder Garg
Managing Director

DIN: 01665456

Encl as above

CC TO- Manager-Listing
The Ludhiana Stock Exch. Assn. Ltd
LSE Buiding, Feroze Gandhi Mkt.
Ludhiana

Manager-Listing
The Delhi Stock Exch. Assn. Ltd
DSE House, 3/1, Asif Ali Road, Delhi

General information about company

Scrip code	530615
Name of company	GARG FURNACE LIMITED
Class of security	Equity
Date of start of financial year	01-04-2017
Date of end of financial year	31-03-2018
Date of board meeting when results were approved	15-11-2017
Date on which prior intimation of the meeting for considering financial results was informed to the exchange	10-11-2017
Description of presentation currency	INR
Level of rounding used in financial results	Lakhs
Reporting Quarter	Half yearly
Nature of report standalone or consolidated	Standalone
Whether results are audited or unaudited	Unaudited
Segment Reporting	Single segment
Description of single segment	IRON & STEEL
Start time of board meeting	15:30
End time of board meeting	19:30

Financial Results – Ind-AS

Particulars		3 months/ 6 months ended (dd-mm-yyyy)	Year to date figures for current period ended (dd-mm-yyyy)
A	Date of start of reporting period	01-07-2017	01-04-2017
B	Date of end of reporting period	30-09-2017	30-09-2017
C	Whether results are audited or unaudited	Unaudited	Unaudited
D	Nature of report standalone or consolidated	Standalone	Standalone
Part I			
1 Income			
	Revenue from operations	1711.23	3118.17

	Other income	0	5.88
	Total income	1711.23	3124.05
2	Expenses		
(a)	Cost of materials consumed	1504.46	2614.37
(b)	Purchases of stock-in-trade	0	0
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-84.54	-55.92
(d)	Employee benefit expense	39.65	61.85
(e)	Finance costs	16.9	31.27
(f)	Depreciation, depletion and amortisation expense	34.68	69.05
(f)	Other Expenses		
1	Power & Fuel Consumed	352.81	655.74
2	Other Expenses	97.44	202.21
10			
	Total other expenses	450.25	857.95
	Total expenses	1961.4	3578.57

3	Total profit before exceptional items and tax	-250.17	-454.52
4	Exceptional items	0	0
5	Total profit before tax	-250.17	-454.52
7	Tax expense		
8	Current tax	0	0
9	Deferred tax	-126.75	-126.75
10	Total tax expenses	-126.75	-126.75
11	Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement	0	0
14	Net Profit Loss for the period from continuing operations	-123.42	-327.77
15	Profit (loss) from discontinued operations before tax	0	0
16	Tax expense of discontinued operations	0	0

17	Net profit (loss) from discontinued operation after tax	0	0
19	Share of profit (loss) of associates and joint ventures accounted for using equity method	0	0
21	Total profit (loss) for period	-123.42	-327.77
22	Other comprehensive income net of taxes	0	0

23	Total Comprehensive Income for the period	-123.42	-327.77
24	Total profit or loss, attributable to		
	Profit or loss, attributable to owners of parent		
	Total profit or loss, attributable to non-controlling interests		
25	Total Comprehensive income for the period attributable to		
	Comprehensive income for the period attributable to owners of parent	0	0
	Total comprehensive income for the period attributable to owners of parent non-controlling interests	0	0
26	Details of equity share capital		
	Paid-up equity share capital		
	Face value of equity share capital		
27	Details of debt securities		
	Paid-up debt capital		
	Face value of debt securities		
28	Reserves excluding revaluation reserve		
29	Debenture redemption reserve		
30	Earnings per share		
i	Earnings per equity share for continuing operations		
	Basic earnings (loss) per share from continuing operations	-3.08	-8.18
	Diluted earnings (loss) per share from continuing operations	-3.8	-8.18

ii	Earnings per equity share for discontinued operations		
	Basic earnings (loss) per share from discontinued operations	0	0
	Diluted earnings (loss) per share from discontinued operations	0	0
ii	Earnings per equity share		
	Basic earnings (loss) per share from continuing and discontinued operations	-3.08	-8.18
	Diluted earnings (loss) per share from continuing and discontinued operations	-3.8	-8.18
31	Debt equity ratio		
32	Debt service coverage ratio		
33	Interest service coverage ratio		
34	Disclosure of notes on financial results	Textual Information(1)	

NOTES:		
1. The Board of Directors IN its meeting held on 15/11/ 2017 has approved the results and its release.		
2. Limited review / Audit Report as required regulation 33 of the SEBI (Listing Obligations & Disclosure requirements) regulations 2015, has been carried out by the Statutory Auditors .		
3.The Company has adopted Indian Accounting Standards ('IND AS') from 1 April 2017 (transition date being April 01, 2016) and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standard) Rules, 2016. These financial results have been prepared in accordance with recognition and measurement principles in Ind AS 34-Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.		
4. In compliance of 'Ind AS-12"Income Taxes", the Company has not recognized the deferred tax asset in respect of carry forward of unused tax losses upto the extent of deferred tax liabilities, as there is very less probability that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.		
5. The Company has defaulted in repayment of dues to banks and financial institutions.		
6.The sales of the company has significantly reduced due to various market factors like slump in steel industry and Cut-Throat competition with China market etc. due to which company is making Losses.		
7. Provision for Gratuity Liability to employees has been made on estimated basis. The short/excess on basis of actuarial valuation as per Ind AS-19.		
8. During the Previous Year ended 31.03.2012 a demand of Rs. 72306370/- has been raised by PSPCL on a/c. of voltage surcharge relating to earlier years. Honorable Punjab & Haryana High Court has		

granted stay in the disconnection of the supply of electricity to the company. However amount of Rs 5,35,10,589/- paid upto 31st March, 2013 has been shown under Other Recoverable.		
9. Previous period's figures have been regrouped/rearranged wherever considered necessary.		
10. The financial results for the 3 months ended 30 Sept 2016 have also been adjusted to comply with the recognition and measurement principles laid down in the Ind AS 34, Interim Financials Reporting.		
11. During the quarter ended 30-09-2017 balances of Debtors & Creditors are subject to confirmation from the parties.		
12. The format for unaudited quarterly results as prescribed by SEBI circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with the requirements of SEBI circular dated 5 July 2016 and Schedule III (Division II) of the Companies Act, 2013 applicable to Companies that are required to comply with IND AS.		
13. Reconciliation of net profit after tax as previously reported under Indian GAAP and IND AS for the quarters ended 30 Sept 2017 and 30 Sept 2016:		
Particulars	Quarter ended 30 Sept 2017	Quarter ended 30 June 2017
Net profit / (Loss) as per previous Indian GAAP	(123.43)	(77.59)
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	0.00	0.00
(ii) Measurement of financial assets at FVPL	0.00	0.00
(iii) Other adjustments	0.00	0.00
(iv) Reversal of gain on investments, as per Indian GAAP	0.00	0.00
(v) Gain on investments, as per IND AS	0.00	0.00
(vi) Deferred tax impact on above adjustments	0.00	0.00
Profit for the period	(123.43)	(77.59)
Other Comprehensive Income	0.00	0.00
Net profit / (Loss) for the period under Ind AS	(123.43)	(77.59)

For Garg Furnace Limited



Devinder Garg
Managing Director

Statement of Asset and Liabilities

Particulars	Half year ended (dd-mm-yyyy)	Previous year ended (dd-mm-yyyy)	
Date of start of reporting period	01-04-2017	01-04-2016	
Date of end of reporting period	30-09-2017	31-03-2017	
Whether results are audited or unaudited	Unaudited	Audited	
Nature of report standalone or consolidated	Standalone	Standalone	
	Assets		
1	Non-current assets		
	Property, plant and equipment	2112.63	2178.76
	Capital work-in-progress	11.24	0
	Investment property		
	Goodwill	0	0
	Other intangible assets	0	0
	Intangible assets under development		
	Biological assets other than bearer plants		
	Investments accounted for using equity method		
	Non-current financial assets		
	Non-current investments	232.4	232.4
	Trade receivables, non-current		
	Loans, non-current	185.27	704.52
	Other non-current financial assets	38.84	0
	Total non-current financial assets	456.51	936.92
	Deferred tax assets (net)		
	Other non-current assets	1716.82	1378.55
	Total non-current assets	4297.2	4494.23

2	Current assets		
	Inventories	390.42	270.36
	Current financial asset		
	Current investments	0	0
	Trade receivables, current	3397.03	3481.98
	Cash and cash equivalents	5.59	38.32
	Bank balance other than cash and cash equivalents	0	0
	Loans, current	0.4	0
	Other current financial assets		
	Total current financial assets	3403.02	3520.3
	Current tax assets (net)	119.33	245.12
	Other current assets	485.15	622.68
	Total current assets	4397.92	4658.46

Statement of Asset and Liabilities			
Particulars		Half year ended (dd-mm-yyyy)	Previous year ended (dd-mm-yyyy)
Date of start of reporting period		01-04-2017	01-04-2016
Date of end of reporting period		30-09-2017	31-03-2017
Whether results are audited or unaudited		Unaudited	Audited
Nature of report standalone or consolidated		Standalone	Standalone
3	Non-current assets classified as held for sale		
4	Regulatory deferral account debit balances and related deferred tax Assets		
	Total assets	8695.12	9152.69
Equity and liabilities			
Equity			
Equity attributable to owners of parent			
	Equity share capital	400.87	400.87
	Other equity	-290.66	37.12
	Total equity attributable to owners of	110.21	437.99

	parent		
	Non controlling interest		
	Total equity	110.21	437.99
	Liabilities		
	Non-current liabilities		
	Non-current financial liabilities		
	Borrowings, non-current	491.19	531.88
	Trade payables, non-current		
	Other non-current financial liabilities		
	Total non-current financial liabilities	491.19	531.88
	Provisions, non-current	0	0
	Deferred tax liabilities (net)		
	Deferred government grants, Non-current		
	Other non-current liabilities	0	126.75
	Total non-current liabilities	491.19	658.63
	Current liabilities		
	Current financial liabilities		
	Borrowings, current	6050.46	6085.59
	Trade payables, current	952.79	852.42
	Other current financial liabilities	853.13	0
	Total current financial liabilities	7856.38	6938.01
	Other current liabilities	234.75	1115.47
	Provisions, current	2.59	2.59
	Current tax liabilities (Net)		
	Deferred government grants, Current		
	Total current liabilities	8093.72	8056.07
3	Liabilities directly associated with assets in disposal group classified as held for sale		
4	Regulatory deferral account credit balances and related deferred tax liability		
	Total liabilities	8584.91	8714.7
	Total equity and liabilities	8695.12	9152.69
	Disclosure of notes on assets and liabilities	For Garg Furnace Limited	



Devinder Garg
Managing Director



INDEPENDENT AUDITORS LIMITED REVIEW REPORT

To
The Board of Directors,
Garg Furnance Limited,
Ludhiana

1. Introduction:

We have reviewed the accompanying statement of unaudited financial results of **Garg Furnance Limited** (" the Company") for the quarter ended 30th Sept 2017 (the statement). This statement is the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on review.

2. Scope of review:

We conducted our review in accordance with standards on Review Engagement (SRE) 2410, "Review interim financial information performed by independent auditor of the entity" issued by The Institute of Chartered Accountants Of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to enquires of company personnel and analytical procedure apply to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Emphasis Of Matter:

We draw attention to Note No.4 in the financial results about compliance with Ind AS-12 "Income Taxes". The company has not created the deferred tax asset against Business loss, as there is no virtual certainty supported by convincing evidence that so much future taxable income will be available against which such deferred tax assets can be realised.



4. We further draw attention to Note No.5 in the Financial Results which indicates that the company has defaulted in repayment of dues to banks and financial institutions. The detail of default are as under:

Sr. No.	Particulars	Amount (₹ in lacs)	Nature of dues	Date since overdue
1.	Indian Bank - MTL1	17.64	Principal	01.09.2015
		11.98	Interest (Term Loan)	
2.	Indian Bank - MTL2	43.75	Principal	01.09.2015
		27.24	Interest (Term Loan)	
3.	Indian Bank - MTL3	62.88	Principal	01.10.2015
		6.91	Interest (Term Loan)	
4.	Indian Bank - OCC	143.30	Interest (Working Capital)	01.12.2015
5.	Indian Bank - OCC Adhoc	33.58	Interest (Working Capital)	01.09.2015
6.	Indian Bank - LC/BC	94.32	Interest (Working Capital)	01.01.2016

The management is of the view that the companies operating assets are not generating revenues on account of various factors beyond the control of company, such as slump in steel industry and delayed payment from customers is posing challenges to meet the cash flow needs. However, as per management view the company is taking adequate steps to resolve the liquidity issue.

5. We draw attention to Note no.6 in the financial results which indicates that the sales of the company significantly reduced to various market factor like slump in steel industry and cut throat competition with china market etc., due to the company is making losses.
6. As stated in Note no. 7 in the financial results, the Gratuity liability to employees has been done on the basis of actuarial valuation report as per Ind AS-19.
7. As stated in Note No.8 of financial Results , during the year ended 31-3-2012 a demand amounting to Rs.7,23,06,370/- has been raised by PSPCL on a/c. Voltage Surcharge relating to earlier years. Honourable Punjab and Haryana High court has granted stay in the disconnection of the supply of electricity to the company. However amount of Rs 5,35,10,589/- paid up to 31-3-2013 has been shown under Advances Recoverable. So far no provision against this demand has been made, so we are unable to comment on this matter.
8. As stated in Note No.11 of financial results, during the quarter ended 30-09-2017 balances of debtors & creditors are subject to confirmation from the parties. We are unable to comment the facts, if any, of the stated matter on the financial results as they are not ascertainable.

Our opinion is not qualified in respect of the above matters.



Conclusion:

9. These financial results have been prepared in accordance with recognition and measurement principles in Ind AS 34-Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
10. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: LUDHIANA.
Date : 15-11-2017

For R.K. Chadha & Co.
Chartered Accountants
(Registration No. 003513N)



(CA Balvinder Kumar)

PARTNER

M. No. 542212