

Works : KANGANWAL ROAD, V.P.O. JUGIANA,  
G.T. ROAD, LUDHIANA-141 120 (INDIA)  
PBX : 00-91-161-4692400 (30 Lines)-2510084  
FAX : 00-91-161-2512285  
E-MAIL : gargfurnace@yahoo.com



**GARG  
FURNACE LTD.**

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

15/02/2017

The Corporate Relationship Department,  
The Stock Exchange Mumbai.  
1st Floor. New Training Ring,  
Rotunda Building, P J Towers,  
Dalal Street, Mumbai

Sub: Submission of documents as on 31<sup>st</sup> December 2016  
Un-Audited Financial Results for the Quarter ended on 31<sup>st</sup> December 2016 with Limited  
Review of auditors thereon.

Dear Sir,

On the captioned subject enclosed please find the followings documents under regulation  
33 of Securities and Exchange Board of India (Listing Obligations and Disclosure  
Requirements) Regulations, 2015 we are please to submit:

(1) Un-Audited financial results of the company for the Quarter ended 30th September,  
2016, along with Limited review of Auditors report thereon.

The above results have been approved by the Board of Directors of the company in its  
meeting held today i.e 15/02/2017

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

New Delhi

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# GARG FURNACE LTD.

CIN: L99999PB1973PLC003385

Statement of Standalone / Consolidated Unaudited Results for the Quarter and 9 Months ended 31.12.2016 (F.Y. 2016-17)						(Rs. In Lacs)
Particulars	3 Months ended 31.12.2016	Preceding 3 Months ended 30.09.2016	Corresponding 3 months ended in the previous year 31.12.2015	Year to date figure for current period ended 31.12.2016	Year to date figures for the previous year ended 31.12.2015	Previous year ended 31.03.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Income From Operations</b>						
(a) Net Sales/ Income from operations (net of excise duty)	1268.26	963.03	1643.75	3657.65	7375.58	9003.66
(b) Other Operating Income	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Income from Operations (net)</b>	<b>1268.26</b>	<b>963.03</b>	<b>1643.75</b>	<b>3657.65</b>	<b>7375.58</b>	<b>9003.66</b>
<b>2. Expenses</b>						
(a) Cost of Material Consumed	747.52	751.99	1367.15	2765.04	4295.17	5586.32
(b) Purchase of Stock-in-Trade	0.00	0.00	220.02	0.00	2152.21	2376.33
(c) Change in inventories of finished goods, work	347.47	(27.85)	(259.46)	279.47	(49.20)	54.12
(d) Employee benefits expense	21.28	21.54	18.35	64.24	58.08	87.28
(e) Depreciation and amortisation expense	33.31	33.03	35.09	103.32	106.37	140.01
(f) Power & Fuel consumed	332.68	403.23	219.29	1062.34	686.38	958.55
(g) Other expenses	27.16	106.97	160.76	650.21	380.70	449.38
<b>TOTAL EXPENSES</b>	<b>1509.42</b>	<b>1288.91</b>	<b>1761.20</b>	<b>4924.62</b>	<b>7629.71</b>	<b>9651.99</b>
<b>3. Profit / (Loss) from operations before other income, finance cost and exceptional items (1-2)</b>	<b>(241.16)</b>	<b>(325.88)</b>	<b>(117.45)</b>	<b>(1266.97)</b>	<b>(254.13)</b>	<b>(648.33)</b>
<b>4. Other Income</b>	0.45	5.05	5.82	6.43	39.13	57.33
<b>5. Profit / (Loss) from ordinary activities before finance cost and exceptional items (3+4)</b>	<b>(240.71)</b>	<b>(320.83)</b>	<b>(111.63)</b>	<b>(1260.54)</b>	<b>(215.00)</b>	<b>(596.00)</b>
<b>6. Finance Cost</b>	16.64	23.35	231.42	81.14	715.97	745.56
<b>7. Profit / (Loss) from ordinary activities after finance cost but before exceptional items (5+6)</b>	<b>(257.35)</b>	<b>(344.18)</b>	<b>(343.05)</b>	<b>(1341.68)</b>	<b>(930.97)</b>	<b>(1341.56)</b>
<b>8. Exceptional Items</b>	0.00	0.00	0.00	0.00	22.92	13.88
<b>9. Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>(257.35)</b>	<b>(344.18)</b>	<b>(343.05)</b>	<b>(1341.68)</b>	<b>(908.05)</b>	<b>(1322.68)</b>
<b>10. Tax Expense</b>						
Current Tax (net)	0.00	0.00	0.00	0.00	0.00	0.00
Mat Credit entitlement						
Deferred tax (assets /liability)	0.00	0.00	0.00	0.00	126.75	0.00
Earlier year tax provisions written back						
<b>11. Net Profit / (Loss) from ordinary activities after tax (9+10)</b>	<b>(257.35)</b>	<b>(344.18)</b>	<b>(343.05)</b>	<b>(1341.68)</b>	<b>(781.29)</b>	<b>(1322.68)</b>
<b>12. Extraordinary items (net of tax expense)</b>						
<b>13. Net Profit / (Loss) for the period (11+12)</b>	<b>(257.35)</b>	<b>(344.18)</b>	<b>(343.05)</b>	<b>(1341.68)</b>	<b>(781.29)</b>	<b>(1322.68)</b>
<b>14. Share of Profit / (Loss) of associates *</b>						
<b>15. Minority Interest *</b>						
<b>16. Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14+15) *</b>	<b>(257.35)</b>	<b>(344.18)</b>	<b>(343.05)</b>	<b>(1341.68)</b>	<b>(781.29)</b>	<b>(1322.68)</b>
<b>17. Paid up equity share capital (Face Value Rs. 10/- per share)</b>	400.87	400.87	400.87	400.87	400.87	400.87



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<b>18. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>							
<b>19. i Earning Per Share (before extraordinary items) of Rs. /- each) ( not annualised)</b>							
(a)	<b>Basic</b>	(6.42)	(8.59)	(8.56)	(33.47)	(19.49)	(33.00)
(b)	<b>Diluted</b>	(6.42)	(8.59)	(8.56)	(33.47)	(19.49)	(33.00)
<b>19. ii Earning Per Share (after extraordinary items) of Rs. /- each) ( not annualised)</b>							
(a)	<b>Basic</b>	(6.42)	(8.59)	(8.56)	(33.47)	(19.49)	(33.00)
(b)	<b>Diluted</b>	(6.42)	(8.59)	(8.56)	(33.47)	(19.49)	(33.00)
<b>see accompanying note to the Financial Results</b>							

**NOTES:**

- The Board of Directors at its meeting held on 15th Feb, 2017 have approved the results and its release.
- Limited review / Audit Report as required regulation 33 of the SEBI (Listing Obligations & Disclosure requirements) regulations 2015, has been
- In compliance of AS 22 'Accounting for taxes on Income'. 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.
- The Company has defaulted in repayment of dues to banks and financial institutions.
- 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.
- Provision for Gratuity Liability to employees has been made on estimated basis. The short/excess on basis of actuarial valuation as per AS-15.
- Figures for previous periods have been recast/regrouped, wherever necessary to make them comparable.
- During the Previous Year ended 31.03.2012 a demand of Rs 72306370/- has been raised by PSPCL on a/c. of volatge surcharge relating to earlier years. Honourable 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 Advances Recoverable.
- During the Year ended 31.03.2012 a demand of Rs 72306370/- has been raised by PSPCL on a/c. of volatge surcharge relating to earlier years.
- During the quarter ended 31.12.2016 balances of Debtors & Creditors are subject to confirmation from the parties.

Place: Ludhiana  
Date: 15.02.2017



Chairman Cum Managing Director  
DIN:01665456



**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 31st December 2016 (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.3 in the financial results about compliance with AS-22 "Accounting For Taxes on Income". 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.



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Branch Office : 1147, Sector 43B, Chandigarh-160022

4. We further draw attention to Note No.4 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.5 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. 6 in the financial results, the Gratuity liability to employees has been done on the basis of actuarial valuation report as per the revised accounting standard AS-15.
7. As stated in Note No.7 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.8 of financial results, during the quarter ended 31-12-2016 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. 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 : 15-02-2017

For Pawan Puri & Associates

Chartered Accountants  
(Registration No. 0059504)



M. No.520261