

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

| UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2014                                          |                             |                             |                               |                                    |
|-------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|------------------------------------|
| Particulars                                                                                           | Quarter Ended on 30.06.2014 | Quarter Ended on 31.03.2014 | Quarter Ended 30th June, 2013 | Financial Year ended on 31.03.2014 |
|                                                                                                       | Unaudited                   | Audited                     | Unaudited                     | Audited                            |
| <b>1 Income From Operations</b>                                                                       |                             |                             |                               |                                    |
| a) Net Sale/Income From Operations                                                                    | 3544.08                     | 5005.51                     | 3782.25                       | 16483.36                           |
| b) Other Operating Income                                                                             | 0.00                        | 0.00                        | 0.00                          | 0.00                               |
| <b>Total Income from operations (Net)</b>                                                             | <b>3544.08</b>              | <b>5005.51</b>              | <b>3782.25</b>                | <b>16483.36</b>                    |
| <b>2 Expenses</b>                                                                                     |                             |                             |                               |                                    |
| a) Cost of Materials Consumed                                                                         | 2552.84                     | 3479.02                     | 2847.54                       | 11408.05                           |
| b) Purchase of Stocks- In Trade                                                                       | 179.38                      | 408.65                      | 166.97                        | 1,067.74                           |
| c) Change in Inventories of Finished Goods, works -in progress and stock -in- trade                   | (108.30)                    | 366.50                      | (227.36)                      | 153.74                             |
| d) Employee Benefits Expenses                                                                         | 31.14                       | 14.66                       | 33.71                         | 124.22                             |
| e) Depreciation and Amortisation Expense                                                              | 31.21                       | 17.89                       | 35.69                         | 132.27                             |
| f) Power & Fuel                                                                                       | 210.26                      | 114.70                      | 214.93                        | 823.39                             |
| g) Other Expenses                                                                                     | 436.53                      | 403.71                      | 563.24                        | 1968.08                            |
| <b>Total Expenses</b>                                                                                 | <b>3333.06</b>              | <b>4805.13</b>              | <b>3634.72</b>                | <b>15677.49</b>                    |
| <b>3 Profit/(Loss) from Operations before Other Income ,Finance Costs and Exceptional Items (1-2)</b> | <b>211.02</b>               | <b>200.38</b>               | <b>147.53</b>                 | <b>805.87</b>                      |
| 4 Other Income                                                                                        | 0.81                        | 84.68                       | 0.27                          | 84.95                              |
| <b>5 Profit/(Loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)</b>      | <b>211.83</b>               | <b>285.06</b>               | <b>147.80</b>                 | <b>890.82</b>                      |
| 6 Finance Cost                                                                                        | 195.49                      | 259.16                      | 130.11                        | 758.58                             |
| <b>7 Profit/(Loss) from ordinary activities after Finance Costs and Exceptional Items (5-6)</b>       | <b>16.34</b>                | <b>25.90</b>                | <b>17.69</b>                  | <b>132.24</b>                      |
| 8 Exceptional Items                                                                                   | -                           | -                           | -                             | -                                  |
| <b>9 Profit/(Loss) from ordinary activities before Tax (7-8)</b>                                      | <b>16.34</b>                | <b>25.90</b>                | <b>17.69</b>                  | <b>132.24</b>                      |
| 10 Tax Expense                                                                                        |                             |                             |                               |                                    |
| Current Tax(Net)                                                                                      | (3.59)                      | 22.50                       | (3.54)                        | (25.31)                            |
| MAT Credit entitlement                                                                                |                             |                             |                               |                                    |
| Deferred tax asset/(liability)                                                                        | (1.02)                      | (11.77)                     | (0.43)                        | (13.24)                            |
| Earlier year tax provisions written back                                                              |                             |                             |                               |                                    |
| <b>11 Net Profit/ (Loss) from ordinary activities after Tax (9-10)</b>                                | <b>11.73</b>                | <b>36.63</b>                | <b>13.72</b>                  | <b>93.69</b>                       |
| 12 Extraordinary Items(Net of Expense)                                                                | -                           | -                           | -                             | -                                  |
| <b>13 Net Profit/ Loss) for the Period(11+12)</b>                                                     | <b>11.73</b>                | <b>36.63</b>                | <b>13.72</b>                  | <b>93.69</b>                       |
| 14 Paid-up Equity Capital (Face Value Rs. 10/- per share)                                             | 400.87                      | 400.87                      | 400.87                        | 400.87                             |
| 15 Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year            | -                           | -                           | -                             | -                                  |
| 16 Earnings Per Share ( before Extraordinary Items) ( in Rs.) (not annualized):                       |                             |                             |                               |                                    |
| (a)Basic                                                                                              | 0.29                        | 0.91                        | 0.34                          | 2.34                               |
| (b) Diluted                                                                                           | 0.29                        | 0.91                        | 0.34                          | 2.34                               |
| <b>A PARTICULARS OF SHARE HOLDING</b>                                                                 |                             |                             |                               |                                    |
| <b>1 Public Shareholding</b>                                                                          |                             |                             |                               |                                    |
| -Number of Shares                                                                                     | 14,59,200                   | 14,59,200                   | 14,62,800                     | 14,59,200                          |
| - Percentage of Shareholding                                                                          | 36.40%                      | 36.40%                      | 36.49%                        | 36.40%                             |
| <b>2 Promoters and Promoter Group Shareholding</b>                                                    |                             |                             |                               |                                    |
| (a) Pledged/ Encumbered                                                                               |                             |                             |                               |                                    |
| -Number of Shares                                                                                     | -                           | -                           | -                             | -                                  |
| Percentage of Share ( as a% of the total Shareholding of promoter and promoter group)                 | -                           | -                           | -                             | -                                  |



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|                                                                                          |           |           |           |           |
|------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| b) Non-encumbered                                                                        |           |           |           |           |
| -Number of share                                                                         | 25,49,500 | 25,49,500 | 25,45,900 | 25,49,500 |
| Percentage of share ( as a% of the total<br>shareholding of promoter and promoter group) | 100%      | 100%      | 100%      | 100%      |
|                                                                                          |           |           |           |           |
| Percentage of share ( as a% of the total<br>share capital of the company)                | 63.60%    | 63.60%    | 63.51%    | 63.60%    |
|                                                                                          |           |           |           |           |
| <b>B INVESTORS COMPLAINTS</b>                                                            |           |           |           |           |
| Pending at the beginning of the quarter                                                  | -         | -         | -         | -         |
| Received during that quarter                                                             | -         | -         | -         | -         |
| Disposed of during the quarter                                                           | -         | -         | -         | -         |

**NOTES:**

- The Above Results have been approved by Audit Committee. The Board Of Directors at its meeting held on 14th August 2014 have approved the results and its release.
- Limited review as required under clause 41 of the listing agreement has been Carried out by statutory Auditors
- Provision for tax liability for current Quarter ended 30.06.2014 is made with Compliance as per AS-22 of ICAI.
- Provision for Gratuity Liability to employees has been made on estimated basis. The short/excess on basis of actuarial valuation as per AS-15 (Revised) Retirement Benefits would be made in Audited Accounts
- Figures for previous periods have been recast/regrouped, wherever necessary to make them comparable. The figures for the quarter ended 31st March, 2014 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to 31st December, 2013.
- The Company is evaluating the impact on useful lives and depreciation of fixed assets under schedule-II to the Companies Act 2013 which became effective from 1 April 2014. Pending Such evaluation, the deprecation for the current quarter is based on rates/useful lives under the earlier Companies Act, 1956 which are considered representative of the useful lives of fixed assets
- 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 ealrlier 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.

Place: Ludhiana  
Date: 14.08.2014

For Garg Furnace Ltd

  
Chairman & Managing Director



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## SEGMENT INFORMATION FOR QUARTER ENDED 30.06.2014

| Sr. No.                                                                                                                                                                           | Particulars                                | Quarter                        | Quarter                | Quarter             | Year                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------|------------------------|---------------------|---------------------|
|                                                                                                                                                                                   |                                            | ended on<br>30.06.2014         | ended on<br>31.03.2014 | Ended<br>30.06.2013 | Ended<br>31.03.2014 |
|                                                                                                                                                                                   |                                            | Unaudited                      | Audited                | Unaudited           | Audited             |
| <b>1</b>                                                                                                                                                                          | <b>Segment Revenue</b>                     |                                |                        |                     |                     |
|                                                                                                                                                                                   | (a) Iron & Steel                           | 3332.79                        | 3949.71                | 3668.76             | 14921.71            |
|                                                                                                                                                                                   | (b) Textile Products                       | 211.29                         | 1055.80                | 113.49              | 1561.65             |
|                                                                                                                                                                                   | (c) Unallocated                            | -                              | -                      | -                   | -                   |
|                                                                                                                                                                                   | Total                                      | 3544.08                        | 5005.51                | 3782.25             | 16483.36            |
|                                                                                                                                                                                   | Less: Inter Segment Revenue                | 0.00                           | 0.00                   | 0.00                | 0.00                |
|                                                                                                                                                                                   | Net Sales/Income from operations           | 3544.08                        | 5005.51                | 3782.25             | 16483.36            |
| <b>2</b>                                                                                                                                                                          | <b>Segment Results (Profit/Loss(-))</b>    |                                |                        |                     |                     |
|                                                                                                                                                                                   | before tax and interest from each segment) |                                |                        |                     |                     |
|                                                                                                                                                                                   | (a) Iron & Steel                           | 197.67                         | -258.36                | 167.75              | 340.81              |
|                                                                                                                                                                                   | (b) Textile Products                       | 31.91                          | 546.06                 | 15.93               | 642.12              |
|                                                                                                                                                                                   | (c) Unallocated                            | 0.00                           | 0.00                   | 0.00                | 0.00                |
|                                                                                                                                                                                   | Total                                      | 229.58                         | 287.70                 | 183.68              | 982.93              |
|                                                                                                                                                                                   | Less: (i) Interest                         | 195.50                         | 259.16                 | 130.11              | 758.58              |
|                                                                                                                                                                                   | (ii) Other Unallocable Expenditure net off | 17.74                          | 2.64                   | 35.88               | 92.11               |
|                                                                                                                                                                                   | (iii) Unallocable Income                   |                                |                        | -                   | -                   |
|                                                                                                                                                                                   | (iv) Exceptional Expenses                  |                                |                        | -                   | -                   |
|                                                                                                                                                                                   | Total Profit Before Tax                    | 16.34                          | 25.90                  | 17.69               | 132.24              |
| <b>3</b>                                                                                                                                                                          | <b>Capital Employed</b>                    |                                |                        |                     |                     |
|                                                                                                                                                                                   | (Segment Assets - Segment Liabilities)     |                                |                        |                     |                     |
|                                                                                                                                                                                   | (a) Iron & Steel                           | 4519.33                        | 4375.00                | 5043.00             | 4375.00             |
|                                                                                                                                                                                   | (b) Textile Products                       | 1052.70                        | 971.16                 | 591.10              | 971.16              |
|                                                                                                                                                                                   | (c) Unallocated                            | (2441.44)                      | (2227.31)              | (2595.22)           | (2227.31)           |
|                                                                                                                                                                                   | Total                                      | 3130.59                        | 3118.85                | 3038.88             | 3118.85             |
| Notes:                                                                                                                                                                            |                                            |                                |                        |                     |                     |
| (a) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities have the same meaning as defined in Accounting Standard on Segment Reporting (AS-17) issued by ICAI. |                                            |                                |                        |                     |                     |
| (b) The above information is furnished for each of the reportable primary segments as per AS-17 in accordance with AS-17 issued by ICAI.                                          |                                            |                                |                        |                     |                     |
| Place: Ludhiana                                                                                                                                                                   |                                            | (Devinder Garg)                |                        |                     |                     |
| Date : 14.08.2014                                                                                                                                                                 |                                            | Chairman Cum Managing director |                        |                     |                     |



DASS KHANNA & CO.  
CHARTERED ACCOUNTANTS

Tel No. 2403029, 2401230  
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GURDEV NAGAR,  
PAKHOWAL ROAD,  
LUDHIANA - 141 001.

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

To,  
The Board of Directors,  
Garg Furnace Limited,  
Ludhiana.

1. We have reviewed the accompanying statement of unaudited financial results of **Garg Furnace Limited**, Kanganwal Road, V.P.O Jugiana, and G.T. Road, Ludhiana for the quarter ended 30th June, 2014 (the "Statement") being submitted by the company pursuant to the requirement of Clause 41 of the Listing Agreement with the Stock Exchanges except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by management and have not been reviewed by us. This statement of quarterly financial results has been prepared from interim financial statements which are 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 our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of 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 inquiries of company personnel and analytical procedures applied 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. *Gratuity liability to employees has been made on estimated basis. The short/excess if any on the basis of actuarial valuation as per revised accounting standard AS-15 Retirement benefits would be made in the audited accounts at the year end. Accordingly, we are unable to comment on the impact of the same on the results for the quarter ended 30<sup>th</sup> June, 2014.*



4. *As stated in Note no 6 of the financial results, the Company is evaluating the impact on useful lives and depreciation of fixed Assets under Schedule II to the Companies Act,2013 which became effective from April 1,2014.Pending such evaluation ,we are unable to comment on appropriateness of the depreciation charge for the Quarter Including consequential impact, if any, that may arise in this regard or on amount of adjustment of opening reserves which may be required as per requirements of the said schedule in the unaudited financial results.*
5. *As stated in Note No 7 of Financial Results, during the year ended 31.03.2012 a demand amounting to Rs 72306370/- has been raised by PSPCL on a/c. of 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 53510589/- paid up to 31.03.2013 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.*
6. *Subject to 3,4,5 above, 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 Accounting Standards issued under the Companies (Accounting Standards) Rules,2006 which continues to apply as per Section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules,2014 and other recognized accounting practices and policies generally accepted in India , has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.*

PLACE: LUDHIANA.  
DATED: 14.08.2014

For DASS KHANNA & CO.  
CHARTERED ACCOUNTANTS  
(Registration No. 0004025N)

  
(RAKESH SONI)  
PARTNER  
M. No. 83142

