

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



To,

November 30th, 2023

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 2022-2023 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, 2023 together with Notice convening of 50th Annual General Meeting (AGM) of the Company scheduled to be held on Friday, 22nd day of December, 2023 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 50th AGM and the Annual Report of the Company for the financial year 2022-2023 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 2022-2023 including the Notice convening the 50th 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

ANNUAL REPORT



20
23

GARG
FURNACE LIMITED

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 (Appointed w.e.f. 27.04.2023)
Mr. Dharam Chand (Resigned w.e.f. 30.05.2023)
Mr. Manjeet Singh (Resigned w.e.f. 15.10.2022)
Ms. Purti Katyal (Appointed w.e.f. 14.08.2023)

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

BANKERS : HDFC BANK

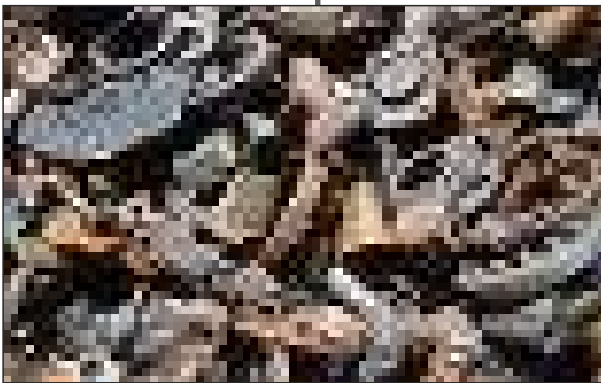
REGISTERED OFFICE
& WORK : Kanganwal Road, V.P.O. Jugiana,
G.T. Road, Ludhiana-141120

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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 50th Annual General Meeting of the members of the Company will be held on Friday, the 22nd day of December, 2023 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, 2023 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 Mrs. Vaneera Garg (DIN: 01283990), who retires from office by rotation and being eligible, offers herself for re-appointment.

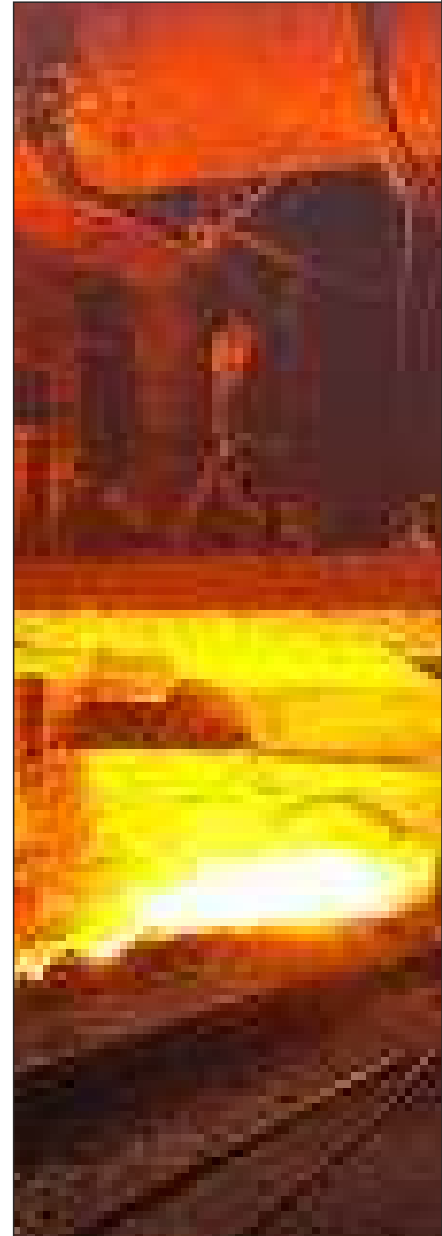
SPECIAL BUSINESS:

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, 2024."

4. Re-appointment of Mr. Devinder Garg (DIN: 01665456), Managing Director of the Company:

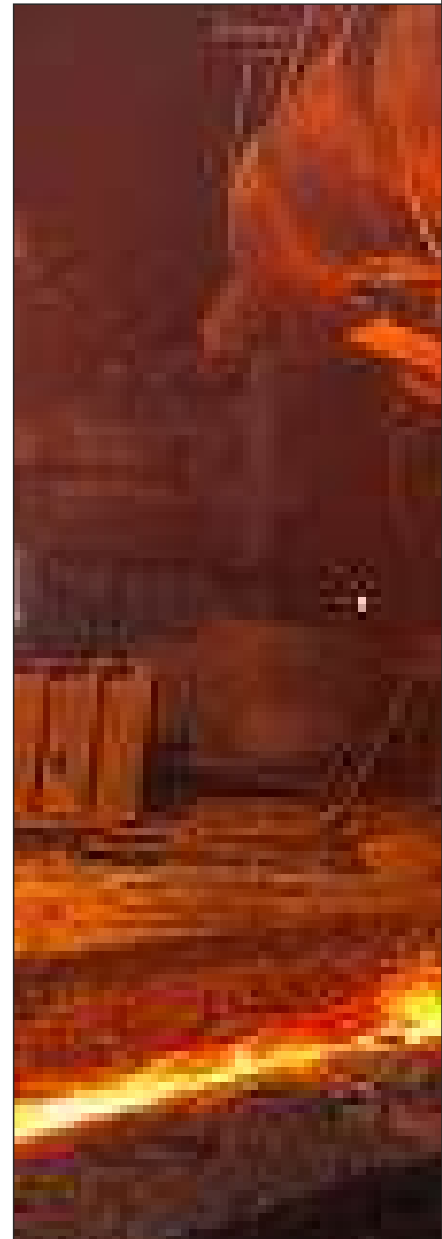


To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for re-appoint Mr. Devinder Garg (DIN: 01665456) as Managing Director of the Company, liable to retire by rotation, for a period of three years with effect from August 14, 2023, as recommended by Nomination and Remuneration Committee and approved by the Board of Directors, upon the terms and conditions including remuneration, as and are set out in the Explanatory Statement as mentioned the draft agreement to be entered into between the Company and Mr. Devinder Garg , a copy of which, initialed by the Chairman for the purpose of identification, is placed before the meeting with liberty to the Board of Directors of the Company (“the Board”) to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Mr. Devinder Garg subject to the applicable provisions of the Act, or any amendment thereto or any reenactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during his tenure as Managing Director, Mr. Devinder Garg be paid the aforesaid remuneration as minimum remuneration for that year.

RESOLVED FURTHER THAT Remuneration of Mr. Divender Garg be increased to the maximum in increment , as mentioned in explanatory statement to this resolution, from the date as decided by Nomination and Remuneration Committee, if the Nomination and Remuneration Committee shall consider it suitable, after judging the Financial and profitability position of the company in its meeting to approve the annual Accounts of the Company for the Current/coming Financial Years, without getting the approval of members.



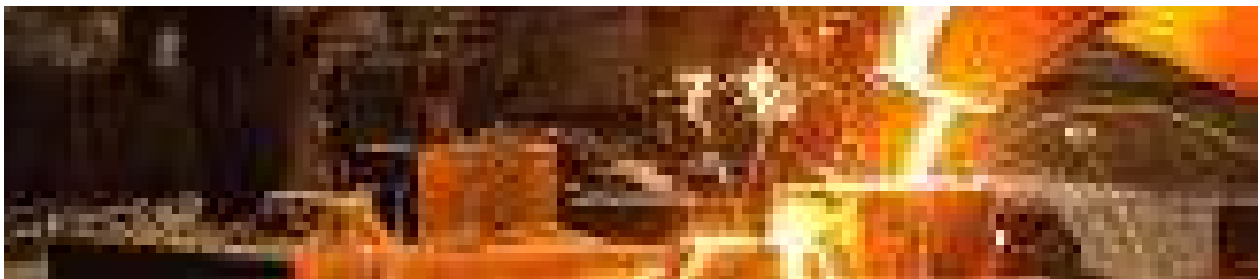
RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to herein after include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

5. Re-designation of Mrs. Vaneera Garg (DIN: 01283990), as Wholetime 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 196, 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for change in designation of Mrs. Vaneera Garg (DIN: 01283990) from Non-Executive Director to Wholetime Director of the Company, liable to retire by rotation, for a period of three years with effect from August 14, 2023, upon the terms and conditions including remuneration, as and are set out in the Explanatory Statement as mentioned the draft agreement to be entered into between the Company and Mrs. Vaneera Garg , a copy of which, initialed by the Chairman for the purpose of identification, is placed before the meeting with liberty to the Board of Directors of the Company ("the Board") to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Mrs. Vaneera Garg subject to the applicable provisions of the Act, or any amendment thereto or any reenactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during her tenure as Whole Time Director, Mrs. Vaneera Garg be paid the aforesaid remuneration as minimum remuneration for that year.

RESOLVED FURTHER THAT Remuneration of Mrs. Vaneera Garg be increased to the maximum in increment , as mentioned in explanatory statement to this resolution,



from the date as decided by Nomination and Remuneration Committee, if the Nomination and Remuneration Committee shall consider it suitable, after judging the Financial and profitability position of the company in its meeting to approve the annual Accounts of the Company for the Current/coming Financial Years, without getting the approval of members.



RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to herein after include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

6. To appoint Mr. Toshak Garg (DIN: 03503511) as a Director of the Company.

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

"RESOLVED THAT Mr. Toshak Garg (DIN: 03503511), who was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 14.08.2023 in terms of Section 161 and other applicable provisions, if any, of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation, in accordance with Section 152 and other applicable provisions of the Act and rules formed there under."

7. Appointment of Mr. Toshak Garg (DIN: 03503511) as Managing Director of The Company:

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 Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any modification and re-enactment thereof) read with Schedule V of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Members of the Company be and is hereby accorded for appointment and terms of remuneration of Mr. Toshak Garg (DIN: 03503511), as the Managing Director of the Company for a period of three years with

effect from August 14, 2023, as recommended by Nomination and Remuneration Committee and approved by the Board of Directors, upon the terms and conditions including remuneration, as and are set out in the Explanatory Statement as mentioned the draft agreement to be entered into between the Company and Mr. Toshak Garg , a copy of which, initialed by the Chairman for the purpose of identification, is placed before the meeting with liberty to the Board of Directors of the Company ("the Board") to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Mr. Toshak Garg subject to the applicable provisions of the Act, or any amendment thereto or any reenactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during his tenure as Managing Director, Mr. Toshak Garg be paid the aforesaid remuneration as minimum remuneration for that year.



RESOLVED FURTHER THAT Remuneration of Mr. Toshak Garg be increased to the maximum in increment, as mentioned in explanatory statement to this resolution, from the date as decided by Nomination and Remuneration Committee, if the Nomination and Remuneration Committee shall consider it suitable, after judging the Financial and profitability position of the company in its meeting to approve the annual Accounts of the Company for the Current/coming Financial Years, without getting the approval of members.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to herein after include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

8. To appoint Mrs. Amandeep Kaur (DIN: 07728094) 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 Sections 149, 150 and 152 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 there of 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. Amandeep Kaur (DIN: 07728094), who was appointed as an Additional Director (Non-Executive Independent) of the Company with effect from March 31, 2023, pursuant to Section 161 of the Act and Articles of Association of the Company and who has submitted a declaration that he 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 March 31, 2023 up to March 30, 2028, 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."

9. To appoint Mrs. Jyoti Batra (DIN: 10009491) 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 Sections 149, 150 and 152 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. Jyoti Batra (DIN: 10009491), who was appointed as an Additional Director (Non-Executive Independent) of the Company with effect from April 27, 2023, pursuant to Section 161 of the Act and Articles of Association of the Company and who has submitted a declaration that he 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 April 27, 2023 up to April 26, 2028, 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."

10. To appoint Ms. Purti Katyal (DIN: 09251560) 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 Sections 149, 150 and 152 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, Ms. Purti Katyal (DIN: 09251560), who was appointed as an Additional Director (Non-Executive Independent) of the Company with effect from August 14, 2023, 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 August 14, 2023 to August 13, 2028, 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."

11. Amendment to Memorandum of Association 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 Section 4, 13 and other applicable provisions, if any, of the Act read with Companies (Incorporation) 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 amend / alter the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the heading of existing Clause III A, "MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE" be and is hereby substituted with the heading "The Objects to be pursued by the company on its incorporation are:"

RESOLVED FURTHER THAT the heading of existing Clause III B, "THE OBJECTS INCIDENTAL OR ANCILLIARY TO THE ATTAINMENT OF MAIN OBJECTS ARE:" be and is

hereby substituted with the heading "Matters which are necessary for furtherance of the objects specified in Clause III A are:"

RESOLVED FURTHER THAT Clause III C, the Other Objects Clause of the Memorandum of Association of the company be and is hereby altered by completely deleting all the existing Clauses III C1 to 63.

RESOLVED FURTHER THAT the existing Clause IV of Memorandum of Association of the Company be and is hereby substituted with the new Clause IV to be read as: Clause IV. "The liability of members is limited and this liability is limited to the amount unpaid, if any, on shares held by them."

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."

12. To adopt the new set of Articles of Association 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** T pursuant to Section 5 and 14 and other applicable provisions, if any, of the Act, read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force 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 alter the existing Articles of Association of the company, by replacing, it with the new set of Articles of Association in accordance with Table 'F' of Schedule I of the Act and that the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in exclusion and in substitution of the existing Articles of Association of the Company.

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."

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

**Place: Ludhiana
Date : 30.11.2023**

**Devinder Garg
Chairman and 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 percent of the total share capital of the company carrying voting rights. Provided that a member holding more than ten percent 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, is annexed hereto.

(C) In terms of the provisions of Section 152 of the Companies Act, 2013, Mrs. Vaneera Garg (DIN: 01283990), 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 re-appointment.

(D) The relevant details of Directors seeking appointments/re-appointment under Item Nos. 2, 4 to 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 **Saturday, 16th December, 2023** and ends on **Friday, 22nd December, 2023** (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.

(G) 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 **Tuesday, 19th December, 2023 (9.00AM IST)** and ends on **Thursday, 21st December, 2023 (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 **Friday, 15th December, 2023** may follow the same instructions as mentioned above for e-Voting.

CDSL e-Voting System – For e-voting.

THE INTRUCTIONS 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 **Tuesday, 19th December, 2023 (9.00AM IST)** and ends on **Thursday, 21st December, 2023 (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.

(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 share holders.

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/ Easi Registration</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 / Evoting Login 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>
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Type of Shareholders	Login Method
<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.nsdl.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.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>(3) Visit the e-Voting website of NSDL. Open web browser by</p>

	<p>typing the following URL: https://www.evoting.nsdl.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 redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
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Type of Shareholders	Login Method
<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.
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 - 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 : 30.11.2023**

**Devinder Garg
Chairman & Managing Director
(DIN 01665456)**

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 Items of the accompanying Notice dated **30th November, 2023:-**

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, & Associates, 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, 2024, 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 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, 2024.**

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 at its meeting held on August 14, 2023 appointed Mr. Devinder Garg (DIN: 01665456) w.e.f. August 14, 2023 for the period of three years subject to the approval of shareholders of the Company in the ensuing Annual General Meeting and on the basis of recommendation of Nomination and Remuneration Committee.

The main terms and conditions of his re-appointment as Managing Director, as contained in the said agreement are furnished below:

Salary: Rs. 1,00,000/- (Rupees One Lakh Only) per month

Perquisites

Perquisites should be allowed in addition to the salary as but within the overall limit, but not more than the salary fixed per month (Rs. One Lakh per month), if any, prescribed under Schedule V of the Companies Act, 2013, as amended from time to time. The perquisites shall be evaluated etc. as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

- (a) Housing House Rent Allowance shall be allowed as per the rules of the Company within the overall limit specified above.
- (b) Medical Reimbursement Expenses incurred for the appointee and his family subject upto to a ceiling of three month's salary in a year or nine month's salary over a period of three years.
- (c) Leave Travel Assistance First Class Air Fare for self and family once in a year to any destination. Family defined as spouse and two dependent children.
- (d) Club Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
- (f) Employer's contribution to Provident fund/superannuation fund As per Rules of the Company
- (g) Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules.
- (h) Car / Telephone Car with driver for use on company's business and telephone / telefax facilities at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose be billed by the Company to the appointee.
- (i) Electricity expenses at residence as per limit prescribed in Income Tax Rules

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.

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. Garg is an eminent individual and is part of various organisations 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. 4 of the notice with regard to his 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

The Board of Directors at its meeting held on August 14, 2023, re-appointed Mrs. Vaneera Garg as Wholetime Director from Non-Executive Director w.e.f. August 14, 2023 for a period of three years subject to the approval of shareholders of the Company in the ensuing Annual General Meeting and on the basis of recommendation of Nomination and Remuneration Committee.

Mrs. Vaneera Garg has presently expressed her desire to relinquish her role of Non-Executive Director and to continue guiding the Company and mentoring the leadership team by acting as Wholetime Director on the Board of the Company.

The main terms and conditions of his appointment as Whole Time Director, as contained in the said agreement are furnished below:

Salary: Rs.1,00,000/- (Rupees One Lakh Only) per month

Perquisites

Perquisites should be allowed in addition to the salary as but within the overall limit, but not more than the salary fixed per month (Rs. One Lakh per month), if any, prescribed under Schedule V of the Companies Act, 2013, as amended from time to time. The perquisites shall be evaluated etc. as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

- (a) Housing House Rent Allowance shall be allowed as per the rules of the Company within the overall limit specified above.
- (b) Medical Reimbursement Expenses incurred for the appointee and her family subject upto to a ceiling of three month's salary in a year or nine month's salary over a period of three years.
- (c) Leave Travel Assistance First Class Air Fare for self and family once in a year to any destination. Family defined as spouse and two dependent children two clubs. This will not include life membership fees.
- (e) Personal accident insurance as per rules of the Company
- (f) Employer's contribution to Provident fund/superannuation fund As per Rules of the Company
- (g) Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules.
- (h) Car/Telephone Car with driver for use on company's business and telephone/telefax facilities at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.
- (i) Electricity expenses at residence as per limit prescribed in Income Tax Rules

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.

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. 5 of the notice with regard to her appointment.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 5 of the accompanying Notice for approval by the Members.

Item No. 6 and 7

Pursuant to the provisions of Companies Act, 2013, your Directors have appointed Mr. Toshak Garg (DIN: 03503511) as an Additional Director on the Board of the Company in their meeting held on 14.08.2023 with effect from 14.08.2023, respectively who holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the said Act proposing their candidatures for the office of Director.

The Board of Directors at its meeting held on August 14, 2023 appoint Mr. Toshak Garg (DIN: 03503511) as Managing Director of the Company w.e.f. August 14, 2023 for a period of three years subject to the approval of shareholders of the Company in the ensuing Annual General Meeting and on the basis of recommendation of Nomination and Remuneration Committee.

The main terms and conditions of his appointment as Managing Director, as contained in the said agreement are furnished below:

Salary: Rs. 1,00,000/- (Rupees One Lakh Only) per month

Perquisites

Perquisites should be allowed in addition to the salary as but within the overall limit,

but not more than the salary fixed per month (Rs. One Lakh per month), if any, prescribed under Schedule V of the Companies Act, 2013, as amended from time to time. The perquisites shall be evaluated etc. as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

- (a) Housing House Rent Allowance shall be allowed as per the rules of the Company within the overall limit specified above.
- (b) Medical Reimbursement Expenses incurred for the appointee and his family subject upto to a ceiling of three month's salary in a year or nine month's salary over a period of three years.
- (c) Leave Travel Assistance First Class Air Fare for self and family once in a year to any destination. Family defined as spouse and two dependent children.
- (d) Club Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
- (e) Personal accident insurance as per rules of the Company
- (f) Employer's contribution to Provident fund/superannuation fund As per Rules of the Company
- (g) Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules.
- (h) Car/Telephone Car with driver for use on company's business and telephone/telefax facilities at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.
- (i) Electricity expenses at residence as per limit prescribed in Income Tax Rules
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.

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 Mr. Devinder Garg and Mrs. Vaneera 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. 6 and 7 of the notice with regard to his appointment.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 6 and 7 of the accompanying Notice for approval by the Members.

Item No. 8

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. Amandeep Kaur (DIN: 07728094), as an Additional Director under the category of Independent Director for a term of 5 years with effect from March 31, 2023, 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 a 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. Amandeep Kaur 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. Amandeep Kaur for the office of Director of the Company.

Mrs. Amandeep Kaur, aged about 34 years is MBA HR, B.ED having more than 9 years of experience in Administration.

In the opinion of the Board, Mrs. Amandeep Kaur 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. Amandeep Kaur in the field of Administration, appointment of Mrs. Amandeep Kaur as an Independent Director is in the interest of the Company

Mrs. Amandeep Kaur is not inter-se related with any other Director or Key Managerial Personnel of the Company. Also, Mrs. Amandeep Kaur does not hold any share in the Company. The copy of the letter of appointment of Mrs. Amandeep Kaur 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. Amandeep Kaur on the Board will be of immense value to the Company.

As an Independent Director of the Company, Mrs. Amandeep Kaur will be entitled to sitting fees for attending the meetings of the Board, as may be decided by the Board of Directors, from time to time.

Except for Mrs. Amandeep Kaur and his 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

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. Jyoti Batra (DIN: 10009491), as an Additional Director under the category of Independent Director for a term of 5 years with effect from April 27, 2023, 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 a 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. Jyoti Batra 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. Jyoti Batra for the office of Director of the Company.

Mrs. Jyoti Batra, aged 40 years, is Teacher having more than 10 years of experience in Teaching and Co-founder of Nile Industry IMF LLP.

In the opinion of the Board, Mrs. Jyoti Batra fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mrs. Jyoti Batra 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. Jyoti Batra in the field of Teaching, appointment of Mrs. Jyoti Batra as an Independent Director is in the interest of the Company.

Mrs. Jyoti Batra is not inter-se related with any other Director or Key Managerial Personnel of the Company. Also, Mrs. Jyoti Batra does not hold any share in the Company. The copy of the letter of appointment of Mrs. Jyoti Batra 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. Jyoti Batra on the Board will be of immense value to the Company.

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

Except for Mrs. Jyoti Batra and his 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 his appointment.

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

Item No. 10

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. Purti Katyal (DIN: 09251560), as an Additional Director under the category of Independent Director for a term of 5 years with effect from August 14, 2023, 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 a 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. Purti Katyal 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. Purti Katyal for the office of Director of

the Company.

Mrs. Purti Katyal, aged 28 years, has been in a practice since 2016. She is an associate of the Institute of Company Secretaries of India [ICSI] and post graduate in commerce. Purti Katyal & Associates, a Practicing Company Secretaries firm was set up by Mrs. Purti Katyal to provide company law related advisory and secretarial services under the aegis of the Institute of Companies Secretaries of India. With her experience spanning more than 7 years, she has gained immense exposure in corporate laws and several companies and business houses have been benefited by her rich experience.

In the opinion of the Board, Mrs. Purti Katyal fulfills the conditions for appointment as an Independent Director as specified in the Act. Mrs. Purti Katyal 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. Purti Katyal, appointment of Mrs. Purti Katyal as an Independent Director is in the interest of the Company.

Mrs. Purti Katyal is not inter-se related with any other Director or Key Managerial Personnel of the Company. Also, Mrs. Purti Katyal does not hold any share in the Company. The copy of the letter of appointment of Mrs. Purti Katyal 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. Purti Katyal on the Board will be of immense value to the Company.

A brief profile of Mrs. Purti Katyal, in terms of Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, has been provided as the Annexure A to this Notice. As an Independent Director of the Company, Mrs. Purti Katyal will be entitled to sitting fee for attending the meetings of the Board, as may be decided by the Board of Directors, from time to time.

Except for Mrs. Purti Katyal and his 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 his 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

With the enactment of new Companies Act 2013, it is considered expedient to amend the existing Memorandum of Association to be in accordance with the requirements of the Act. In terms of Section 4(1)(c) of the Act, the Memorandum of Association of the Company is to state the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof. Accordingly it is proposed to replace the existing headline of Clause III A & III B and delete the Clause III C of the existing Memorandum of Association of the Company. In terms of Section 4(1)(d) of the Act, the Memorandum of Association of the Company is to state, in the case of a Company limited by shares, that liability of Members is limited to the amount unpaid, if any, on the shares held by them. Accordingly it is proposed to amend Clause IV of the Memorandum of Association so as to comply with the provisions of Section 4 and 13 and other applicable provisions, if any, of the Act including Table A. Thus modification in Memorandum of Association is carried out to give effect to provisions of the Act. The proposed new draft Memorandum of Association is being uploaded on the Company's website i.e. www.gargfurnacelimited.com for perusal by the Members.

None of the directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolutions 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.11 of the accompanying Notice for approval by the Members.

Item No.12

The existing Articles of Association of the Company, is in accordance with the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the new Companies Act 2013. Upon enactment of the Act and pursuant to the notifications of Ministry of Corporate Affairs dated September 12, 2013 and March 26, 2014, various provisions of the Companies Act 1956 have been repealed and in view of the same the existing Articles of Association of the Company need to be realigned as per the provisions of the new Act. The Board of Directors decided to incorporate/substitute /alter certain provisions as per the Act. As this would result in a number of changes in the existing Articles of Association of the Company, it was

desirable to adopt a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company. The new set of Articles of Association to be substituted in place of existing Articles of Association is based on Table 'F' of Schedule I of the Act which sets out the model Articles of Association for a Company limited by shares. The proposed new draft Articles of Association is being uploaded on the Company's website i.e. www.gargfurnacelimited.com for perusal by the Members.

None of the directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolutions 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.12 of the accompanying Notice for approval by the Members.

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

**Devinder Garg
Chairman and Managing Director
DIN:01665466**

**Place : Ludhiana
Date : 30.11.2023**



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	Mrs. Vaneera Garg	Mr. Devinder Garg
DIN	01283990	01665456
Designation	Non-Executive Director	Chairman and Managing Director
Date of Birth	25/05/1966	25/05/1964
Age	57 years	59 years
Date of Appointment	14/11/2015	01/08/2015
Qualification	B.A.	B.A.
Expertise in Specific Area	Business Experience of More than 8 Yrs.	Mr. Devinder Garg, the Chairman of the Company, has nearly four decades of experience in the steel industry.
Directorship in other Companies	Nil	Nil
Chairman / Member of committees of other Companies	Nil	Nil
Remuneration for the Financial Year 2022-2023	Rs. 1,00,000/- (Rupees One Lakh Only) per month	Rs. 1,00,000/- (Rupees One Lakh Only) per month
Remuneration sought to be paid	Rs. 1,00,000/- (Rupees One Lakh Only) per month	Rs. 1,00,000/- (Rupees One Lakh Only) per month
No. of Board Meetings attended during the year	16 out of 16	16 out of 16
Disclosure of Relationship:	Wife of Mr. Devinder Garg Mother of Mr. Toshak Garg	Husband of Mrs. Vaneera Garg Father of Mr. Toshak Garg
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

Name of the Director	Mr. Toshak Garg	Ms. Amandeep Kaur
DIN	03503511	07728094
Designation	Managing Director	Chairman and Managing Director
Date of Birth	17/11/1990	22/09/1988
Age	23 years	34 years
Date of Appointment	14/08/2023	31/03/2023
Qualification	Bachelor's degree	MBA in Human Resources and Bachelor of Education (B. ED)
Expertise in Specific Area	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.	Mrs. Amandeep Kaur is having more than 9 years of experience in Administration.
Directorship in other Companies	Nil	1. Dolfin Rubbers Limited- Independent Director 2. Allied Recycling Limited- Independent Director 3. Progressive Dairy Solutions
Chairman / Member of committees of other Companies	Nil	1. Dolfin Rubbers Limited Audit Committee- Chairperson Nomination and remuneration committee- Chairperson Stakeholders Relationship Committee- Member 2. Allied Recycling Limited Audit Committee- Chairperson Nomination and remuneration committee- Chairperson Corporate Social Responsibility Committee- Member

		3. Progressive Dairy Solutions Limited Audit Committee- Chairperson Nomination and remuneration committee- 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	N.A.	N.A.
Disclosure of Relationship:	Son of Mr. Devinder Garg and Mrs. Vaneera 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

Name of the Director	Ms. Jyoti Batra	Ms. Purti Katyal
DIN	10009491	09251560
Designation	Independent Director	Independent Director
Date of Birth	02/10/1982	16/07/1994
Age	40 years	29 years
Date of Appointment	27/04/2023	14/08/2023
Qualification	MSE Mathematics	CS, Post graduate in commerce
Expertise in Specific Area	Mrs. Jyoti Batra is Teacher having more than 10 years of experience in Teaching and Co-founder of Nile Industry IMF LLP.	Purti Katyal & Associates, a Practicing Company Secretaries firm was set up by Mrs. Purti Katyal to provide company law related advisory and secretarial services under the aegis of the Institute of Companies Secretaries of India.

		With her experience spanning more than 7 years, she has gained immense exposure in corporate laws and several companies and business houses have been benefited by her rich experience.
Directorship in other Companies	Nil	<ol style="list-style-type: none"> 1. Acme Resources Limited- Independent Director 2. Progressive Dairy Solutions Limited- Independent Director
Chairman / Member of committees of other Companies	Nil	<ol style="list-style-type: none"> 1. Acme Resources Limited Audit Committee- Chairperson Nomination and remuneration committee- Member Stakeholders Relationship Committee- Chairperson Corporate Social Responsibility Committee- Chairperson 2. Progressive Dairy Solutions Limited Audit Committee- Chairperson Nomination and remuneration committee -Chairperson
Remuneration for the Financial Year 2022-2023	Nil	Nil
Remuneration sought to be paid	Nil	Nil
No. of Board Meetings attended during the year	N.A.	N.A.
Disclosure of Relationship:	Nil	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
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For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN:01665466

Place : Ludhiana
Date : 30.11.2023



DIRECTORS' REPORT

The Members of
Garg Furnace Limited

The Directors of your company have pleasure in presenting the 50th Annual Report on the affair of the company to get her with the Audited Accounts for the year ending 31st March, 2023.

FINANCIAL RESULTS

(Rupees in Lakhs)

	2022-23	2021-22
Operating Income	23824.42	17859.74
Profit before tax & Exceptional items	593.95	632.27
Exceptional Items	0.00	0.00
Profit before tax	593.95	632.27
Provision for tax-CurrentTax 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	593.95	632.27
Prior year Tax adjustments / Depreciation to Reverse as per Current Tax	0.00	0.00
Re-measurement of define benefit liability	2.56	(6.79)
APPROPRIATIONS		
Transfer to General Reserve	0.00	0.00
Balance carried over to Balance Sheet	596.51	625.48

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, 2023, 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, 2023, the issued, paid up and subscribed Share capital of the Company stood at Rs. 4,00,87,000/- divided into 40,08,700/- Equity Shares having face value of Rs.10/- each.

During the year under review, there was no change in the Company's Issued, Subscribed and Paid-up Equity Share Capital. The Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2023, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company. Further there was no public issue, rights issue, bonus issue or referential 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

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 16 (sixteen) meetings of the Board held during the year under review and the dates of the meetings are as follow:

12/04/2022, 30/05/2022, 25/06/2022, 15/07/2022, 13/08/2022, 07/09/2022, 11/10/2022, 15/10/2022, 14/11/2022, 24/11/2022, 02/12/2022, 12/01/2023, 07/02/2023, 14/02/2023, 27/03/2023 and 31/03/2023.

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 due to the resignation of Mr. Manjeet Singh, NonExecutive Independent Director with effect from 15th October, 2022. Accordingly the Board has inducted Ms. Amandeep Kaur (Non-Executive Independent Director) as member of the Committee with effect March 31, 2023. Accordingly as on March 31, 2023, the Audit Committee of the Company consists of Mr. Dharam Chand (Non-Executive Independent Director) as Chairman, Ms. Vaneera Garg (Non-Executive - Non Independent Director) as Member and Ms. Amandeep Kaur (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 Five (5) occasions viz. 30.05.2022, 13.08.2022, 07.09.2022, 14.11.2022, 14.02.2023. 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, 2023, the Stakeholders Relationship Committee of the Company consists of Ms. Vaneera Garg (NonExecutive - Non Independent Director) as Chairperson, Mr. Dharam Chand (Non-Executive Independent Director) as Member and Mr. Devinder Garg (Managing 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 thereunder.

During the year under review, the Stakeholders Relationship Committee met on Two (2) occasions viz. 30.05.2022, 13.08.2022, . 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, 2023. Further, no shareholders complaint/ grievance were received under 'SCORES' during the Financial Year 2022-2023.

3. NOMINATION AND REMUNERATION COMMITTEE

During the year the constitution of the Nomination and Remuneration Committee was changed due to the resignation of Mr. Manjeet Singh, Non-Executive Independent Director with effect from 15th October, 2022. Accordingly the Board has inducted Ms. Amandeep Kaur (Non-Executive Independent Director) as member of the Committee with effect March 31, 2023. Accordingly as on March 31, 2023 the Nomination and Remuneration Committee of the Company consists of Mr. Dharam Chand (Non-Executive Independent Director) as Chairman, Ms. Vaneera Garg (Non-Executive-Non Independent Director) as Member and Ms. Amandeep Kaur (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 Three (3) occasions viz. 30.05.2022, 14.07.2022, 31.03.2023. The necessary quorum was present at all the meetings.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on March 31, 2023, the Corporate Social Responsibility Committee of the Company consists of Mr. Dharam Chand (Non-Executive Independent Director) as Chairman, Ms. Vaneera Garg (Non-Executive - Non Independent Director) as Member and Mr. Devinder Garg (Managing Director) as Member. The Composition and terms of Reference of the Nomination and Remuneration 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. 27.02.2023. 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 <https://gargfurnacelimited.com/>

Further Annual Report on the CSR activities of the Company for the Financial Year is attached herewith as **Annexure -1**

Attendance Details of Board and Committee Meetings held during the Financial Year 2022-2023:

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

Member's Name	Designation	No. of Board Meetings Attended	No. of Committee Meetings Attended			
			Audit	Remuneration	Stakeholders' Remuneration	Corporate Social Responsibility
Mr. Anand Singh	Member of Strategy Board	10 out of 11	1 out of 1	1 out of 1	1 out of 1	1 out of 1
Mr. Anand Singh	Member of Strategy Board	10 out of 11	1 out of 1	1 out of 1	1 out of 1	1 out of 1
Mr. Anand Singh	Member of Strategy Board	10 out of 11	1 out of 1	1 out of 1	1 out of 1	1 out of 1
Mr. Anand Singh	Member of Strategy Board	10 out of 11	1 out of 1	1 out of 1	1 out of 1	1 out of 1
Mr. Anand Singh	Member of Strategy Board	10 out of 11	1 out of 1	1 out of 1	1 out of 1	1 out of 1
Mr. Anand Singh	Member of Strategy Board	10 out of 11	1 out of 1	1 out of 1	1 out of 1	1 out of 1

*Ceased to be a Director with effect from 15th October, 2022

Appointed as Director with effect from 31st March, 2023

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

- In the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 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 profit and loss of the Company for that period;
- 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 safe guarding 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 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 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

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.

CORPORATE SOCIAL RESPONSIBILITY

Provisions of section 135 of the Companies Act, 2013 are not applicable to Company.

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, 2023. 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, 2023, the Board of Directors consists of 4 (Four) Directors i.e. 1 (One) Managing Director, 1 (One) Non-Executive Non-Independent Director and 2 (Two) 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 and Mrs. Amandeep Kaur as Women Directors on the Board as on

March 31, 2023.

Changes in the Board of Directors and Key Managerial Personnel

- a. In light of the provisions of the Companies Act, 2013, **Mrs. Vaneera Garg (DIN: 01283990)** Director of the Company,retires from the Board by rotation this year and being eligible, offers herself 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. **Mrs. Amandeep Kaur (DIN: 07728094)** 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 31st March, 2023, with effect from 31st March, 2023, in accordance with provisions of section 161 of the Companies Act, 2013.

Mrs. Amandeep Kaur 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 Mrs. Amandeep Kaur (DIN: 07728094) as Independent Director of the Company for a period of five years w.e.f. 31st March, 2023.

The Company had also received a declaration from Mrs. Amandeep Kaur 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. Amandeep Kaur 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.

- 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.

- 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, Ms. Chandni Jain, Company Secretary had resigned from the position of Company Secretary and Compliance Officer of the Company, w.e.f. 25.06.2022.

f. **Ms. Supreena Tagra** was appointed as Company Secretary and Compliance Officer of the Company by the Board on the recommendation of Nomination & Remuneration Committee in their meeting held on 15.07.2022, with effect from 15.07.2022, in accordance with provisions of section 203 of the Companies Act, 2013 and applicable SEBI (LODR) Regulation, 2015.

As on March 31, 2023, the Company has following Key Managerial Personnel:

1. Mr. Devinder Garg – Chairman and Managing Director
2. Mr. Gurmeet Singh Battu – Chief Financial Officer
3. Ms. 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 2022-2023, the Company has not received any complaint on sexual harassment and hence no complaint remains pending as of March 31, 2023 and March 31, 2022.

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.

Whenever this regulation becomes applicable to the Company at a later date, the Company shall comply with requirements of this regulation within six months from the date on which such provisions became applicable to the Company.

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 GARG FURNACE LIMITED 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 whistle blower 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, 2023. 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/](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, 2023. 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 2022-23 given by M/s. PDM & Associates in the prescribed form MR-3 is annexed to this Report as Annexure -5.

The Secretarial Auditor qualifies its Report and the Board comments or explanation is given below:

Particulars of Observations / Remarks	Board Comments
Internal Auditor is not appointed for the year under review.	The Company could not find any suitable person to be appointed as Independent Director of the Company.
Some of the provisions of Listing agreement are not complied with and penalties by BSE have also been imposed for the same.	Filling of disclosures was missed inadvertently.
Composition of Board of Directors of the Company is not adequate with regard to Independent director, appointed is do not have valid certificate for their entry in Database of Independent Director.	The Company could not find any suitable person to be appointed as Independent Director of the Company.
Ms. Vaneera Garg, is Whole Time Director of the Company but her designation is wrongly updated as Non-executive director in Roc records	Change in designation was missed inadvertently, however Company has proposed for change in designation in ensuing Annual General Meeting of the Company.

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 2023-24 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 2022-2023 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 2023-2024.

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 2023-2024.

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 through out 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 there of, 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 on behalf of the Board
For Garg Furnace Limited**

**Devinder Garg
Chairman and Managing Director
DIN: 01665466**

**Place: Ludhiana
Date: 30.11.2203**

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 attended during the year
1.	DHARAM CHAND	Chairperson/ Non-Executive - Independent Director	1	1
2.	VANEERA GARG	Member / Non-Executive - Non Independent Director	1	1
3.	DEVINDER GARG	Member / Managing 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 sub-rule (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.1.75 Cr.

(b) Two percent of average net profit of the company as per sub-section (5) of Section 135: Rs. 3.51 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. 3.51 Lakh

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 3.51 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. 3.51 Lakh

(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
3.51 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	3.51 Lakh
(ii)	Total amount spent for the Financial Year	3.51 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
(v)	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 on behalf of the Board
For Garg Furnace Limited

For and on behalf of the Board
For Garg Furnace Limited

Place: Ludhiana
Date : 30.11.2023

Jyoti Batra
Chairman of Committee
DIN: 10009491

Devinder Garg
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

Devinder Garg
Chairman and Managing Director
DIN: 01665466

Place: Ludhiana

Date: 30.11.2023



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 : No
- c) Impact of Measures taken at (a) : 5% Saving in Energy consumption. above for reduction of energy consumption and consequent impact on the cost of production of goods.
- 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

A. POWER & FUEL CONSUMPTION

1. Electricity	Current Year	Previous Year
(a) Purchased		
Units (KWH) (in Units)	31150326.00	24394701.00
Total amount	Rs. 203073043.00	Rs. 161289605.70
Rate per unit	Rs.6.52	Rs.6.61
(b) Own Generation		
	Current Year	Previous Year
i) Through Diesel Generator Units (KWH)	4399.00	4836.00
Units per litre of diesel	3.90	3.90
Oil Cost /unit	Rs. 22.66	Rs. 20.65
ii) Through steam Turbine	Nil	Nil

2. Coal	<u>Current Year</u>	<u>Previous Year</u>
Quantity (Kgs)	-	248740.00
Total Amount	Rs. 00	Rs. 3340688.00
Average Rate per Kg	Rs. 00	Rs. 13.43

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 exchanger 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)	0.00	0.00

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

**Devinder Garg
Chairman and Managing Director
DIN: 01665466**

Place: Ludhiana

Date: 30.11.2023

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.

Sl. No.	Name & Designation of Director	Remuneration for F.Y. 2022-2023 (Rs.)	Remuneration of employees in the F.Y. 2022-2023 (Rs.)	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Pradeep Singh Chairman and Managing Director	1,40,000	1,83,280	0.76
2.	Mr. Anand Singh Non Executive Director (Independent Director)	1,00,000	1,83,280	0.54
3.	Mr. Manoj Kumar Managing Director (Executive Director)	1,00,000	1,83,280	0.54
4.	Mr. Rajesh Singh Non Executive Director (Independent Director)	1,00,000	1,83,280	0.54
5.	Mr. Anand Singh Non Executive Director (Independent Director)	1,00,000	1,83,280	0.54
6.	Mr. Anand Singh Non Executive Director (Independent Director)	1,00,000	1,83,280	0.54
7.	Mr. Anand Singh Non Executive Director (Independent Director)	1,00,000	1,83,280	0.54
8.	Mr. Anand Singh Non Executive Director (Independent Director)	1,00,000	1,83,280	0.54
9.	Mr. Anand Singh Non Executive Director (Independent Director)	1,00,000	1,83,280	0.54
10.	Mr. Anand Singh Non Executive Director (Independent Director)	1,00,000	1,83,280	0.54

*Ceased to be a Director with effect from October 15, 2022

Appointed as Director with effect from March 31, 2023

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

^ Appointed as Company Secretary with effect from July 15, 2022

%Resigned with effect from June 25, 2022

1. The median remuneration of employees of the Company during the financial year was Rs. 18328/-
2. In the financial year under review, there was _____% decrease in the median remuneration of employees.
3. There were _____permanent employees on the rolls of Company as on

March 31, 2023.

4. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year 2022-2023 is _____.
5. 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.

Sl. No.	Name of the Employee	Designation	Basic Salary	Dearness Allowance	Gratuity	Provident Fund	Other Benefits	Total

Note:

1. During the Financial Year 2022-2023, 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 2022-2023, 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 2022-2023, 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
Chairman and Managing Director
DIN: 01665456**

**Place: Ludhiana
Date: 30.11.2023**

ANNEXURE 5 TO THE DIRECTORS' REPORT**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[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, 2023 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, 2023 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 if as required to obtain any approval of the Central Government, Company Law Board, 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.
 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 (www.gargfurnacelimited.com) is being updated regularly as per the provisions of the Companies Act, 2013.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except the following points:

1. Internal Auditor is not appointed for the year under review.
2. Some of the provisions of Listing agreement are not complied with and penalties by BSE have also been imposed for the same.

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 not adequate with regard to Independent director, appointed is do not have valid certificate for their entry in Database of Independent Director.

Also, Ms. Vaneera Garg, is Whole Time Director of the Company but her designation is wrongly updated as Non-executive director in Roc records.

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.

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: September 05, 2023

FOR PDM & ASSOCIATES
CS Pooja Damir Miglani
Company Secretaries

Prop.

M.No. A25988

C.P No. 25003

UDIN: A025988E000947337

Peer Review No: S2021PB834000

Annexure-A

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: September 05, 2023

FOR PDM & ASSOCIATES
CS Pooja Damir Miglani
Company Secretaries

Prop.

M.No. A25988

C.P No. 25003

UDIN: A025988E000947337

Peer Review No: S2021PB834000

ANNEXURE-6 TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY
[as Per Proviso To Section 178(4) Of The Companies Act, 2013]

SALIENT FEATURES OF THE NOMINATION AND REMUNERATION POLICY
[As per proviso to Section 178(4) of the Companies Act, 2013]

APPLICABILITY

This Policy is applicable to:

- a. Directors (Executive, Non-Executive and Independent)
- b. Key Managerial Personnel (KMP)
- c. Senior Management Personnel
- d. Other employees as may be decided by the Committee ("NRC")

OBJECTIVE

The Policy provides criteria for:

1. Determining qualifications, positive attributes and independence of a Director;
2. Performance evaluation of Independent Directors, Non-Independent Directors, Chairman and the Board;
3. Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees, as may be decided by the Committee;

PROVISIONS RELATING TO REMUNERATION OF MANAGING DIRECTOR, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The following are the guiding factors:

- The scope of duties, the role and nature of responsibilities;
- The level of skill, knowledge, experience, local factors and expectations of individual;
- The Company's performance, long term strategy and availability of resources;
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and other employees of the quality required to run the Company successfully; and
- Relationship of remuneration to performance is clear and meets appropriate performance benchmark;

PROVISIONS RELATING TO REMUNERATION OF NON-EXECUTIVE / INDEPENDENT DIRECTOR(S)

The following are the guiding factors:

The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and as decided by the Board from time to time.

The Non-Executive/ Independent Director(s) may also receive remuneration / compensation / commission etc as per criteria/limit thereof prescribed under Companies Act, 2013 and rules made thereunder.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders', as may be applicable.

EVALUATION

The evaluation will be done on following parameters:

1. Role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board;
2. Attendance and contribution at Board and Committee meetings;
3. Subject expertise, skills, behavior, experience, leadership qualities, understanding of business and strategic direction to align company's values and standards;
4. Ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders;
5. Vision on Corporate Governance and Corporate Social Responsibility;
6. Ability to create a performance culture that drives value creation and a high quality of discussions;
7. Effective decision making ability to respond positively and constructively to implement the same to encourage more transparency;
8. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity;
9. Contribution to enhance overall brand image of the Company

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

Place: Ludhiana

Date: 30.11.2023

**Devinder Garg
Chairman and Managing Director**

DIN: 01665456

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

NAMASTE SHAREHOLDERS

GLOBAL REVIEW OF THE STEEL INDUSTRY

Steel is on the worlds most essential materials and the steel industry plays a vital role in the global economy. Global steel production has increased from 850 MT in 2000 to 1878.5 MT in 2022. This was due to an increase in demand and rapid industrialisation.

In the fiscal year 2022-2023 the post-pandemic recovery faced challenges such as high inflation, increasing interest rates, the Russian invasion of Ukraine, and lockdowns in China. These factors resulted in decreased activity in steel-using sectors during the year, leading to a contraction in steel demand that was worse than expected due to stock adjustments.

The uncertainty due to the ongoing war in Ukraine and rising inflation, has shaken the expectation of a stable recovery from the pandemic.

Additionally, the global tightening of central bank policies negatively affected steel demand and led to a decline in steel prices worldwide.

INDIAN REVIEW

In 2022, the global crude steel output declined by 4.2%, reaching 1878.5 million metric tons (MT) for the first time in seven years. Despite this, India emerged as the only major steel producing country to experience growth, with a 5.5% increase, reaching 124.72 million MT of crude steel production.

Interestingly, while global steel production decreased, steel consumption showed an increase, estimated at 1840 million MT, slightly lower than the total global production value. This indicated a demand-supply gap in the global steel market.

The Indian economy benefited from this situation due to strong growth in construction and rising automotive output, leading to an increase in crude steel consumption domestically. India's growing steel output and consumption created an opportunity for the nation to strengthen its position in the steel industry and potentially meet global steel demands.

Moreover, India has set ambitious targets for the steel industry under the "Making India Atmanirbhar in Steel" agenda. The country aims to strategize and achieve a steel production target of 300 million tonnes by 2030 and an even higher target of 500 million tonnes by 2047.

These targets signify India's determination to enhance self-reliance in the steel sector and establish itself as a significant player in the global steel market. Achieving these goals would require substantial investments, technological advancements, and policy support to foster the growth of the steel industry in the country. Successfully meeting these targets would not only strengthen India's position in the steel market but also contribute to the nation's overall economic growth and development.

OUR COMPANY

We operate in the steel industry, primarily supplying to the agricultural, auto, nut and bolt and cycle parts market in India.

AGRICULTURAL EQUIPMENT INDUSTRY OUTLOOK

In 2022, we benefited from the strong performance of the auto and agricultural sector in India. The Indian agricultural equipment market size reached INR 1,023.2 Billion in 2022. Looking forward, IMARC Group expects the market to reach INR 1,852.6 Billion by 2028, exhibiting a growth rate (CAGR) of 10.5% during 2023-2028.

AUTO INDUSTRY INDIA

India is also the world's third-largest automobile market and the largest manufacturer of three-wheelers, passenger vehicles, and tractors. It is also the second-largest manufacturer of two-wheelers.

Rising middle-class income and a huge youth population will result in strong demand.

In March 2023, the total production of passenger vehicles*, three-wheelers, two-wheelers, and quadricycles was 20,04,592 units.

The automobile sector received cumulative equity FDI inflow of about US\$ 34.11 billion between April 2000-December 2022.

The Government of India expects the automobile sector to attract US\$ 8-10 billion in local and foreign investments by 2023.

Additionally, we are actively moving towards green steel and have implemented several initiatives to support this transition.

To reduce environmental impact, we focused on using the least polluting scrap as raw material, with a preference for 100% high-grade scrap, which helps in lowering emission levels. Furthermore, efforts have been made to eliminate the consumption of furnace oil from the third quarter onwards from when we completely stopped its usage. Also from the consumption of 283 tonnes of coal in the last financial year, we

have completely eliminated its usage in this financial year. This is contributing to a more eco-friendly production process.

In February 2022, we made an important step towards sustainability by purchasing a power-saving furnace, which aimed at reducing power consumption by 5%. This not only benefits the environment but also improves the company's cost efficiency.

In this financial year, our primary focus has been on two key aspects: reducing carbon emissions and optimizing costs. The green steel initiative and sustainable practices align with the broader goal of environmental responsibility.

Increasing production by approximate three times in the next three years is an ambitious and commendable goal for us. Such a significant expansion can indeed lead to lower costs through economies of scale. By producing at a larger scale, we can spread fixed costs over a higher number of units, which can help reduce the cost per unit of production.

To achieve this growth target we will do careful planning and execution.

Looking towards the future, we have ambitious plans to set up a 5 MW solar power project over the next decade in multiple phases. This strategic move will help reduce electricity costs, leading to a more profitable bottom line. Combining this initiative with the ongoing green steel efforts reflects our commitment to sustainability and financial viability.

By prioritizing green initiatives, optimizing energy consumption, and investing in renewable energy, we are taking significant steps to position ourselves as a responsible and forward-thinking player in the steel industry.

FINANCIAL/OPERATIONAL PERFORMANCE

The detailed performance has already been discussed in the Directors' Report under the column 'Financial Performance'.

INTERNAL CONTROL & SYSTEMS

The company has adequate internal control procedures commensurate with its size and nature of its business.

These internal policies ensure efficient use and Protection of assets and resources. Compliance with policies, ensure reliability of financial and operational reports. The detailed point has already been discussed in the Directors' Report under the point Internal Financial Control.

RISK AND CONCERNS

The Steel Industry witnesses cyclical price movements. The fortunes of the industry move up and down in time with the market trend of prices. This phenomenon has become more uncertain and unpredictable with the increased integration of domestic and global markets. The company has taken the cost cutting initiatives, enriching the product mix and strengthened its marketing to cope with the business trend.

HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATION

During the year, the company has employed 74 persons. The Industrial Relations remain cordial during the year. The company is continuing its efforts for improvement in the work culture wherein employees can contribute to their fullest potential. The management acknowledges the contribution of all employees in achieving better performance.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

As per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to provide details of significant changes (change of 25% or more as compared to immediately previous financial year) in key financial ratios. Accordingly, the Company has identified the following ratios as key financial ratios:-

Ratio	F.Y. 2022-2023	F.Y. 2021-2022	% 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 on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665466

Place: Ludhiana
Date: 30.11.2023

**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 : _____ DP: D _____

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

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 49th Annual General Meeting of the Company, to be held on on Friday the 22nd day of December, 2023 at 01.00 P.M and at any adjournment there of in respect of such resolutions to be proposed at such 49th Annual General Meeting

Signed this _____ day of _____ 2023

Signature of Share holder _____

Signature of Proxy holder (s) _____

Affix
Revenue
Stamp

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.gargfurnace.com

ATTENDANCE SLIP
50th ANNUAL GENERAL MEETING ON 22ND DAY OF DECEMBER, 2023

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 hereby record my presence at the 50th Annual General Meeting of the Company, to be held on Friday the 22nd day of December, 2023 at 01.00 P.M at Registered Office of the Company. at Registered Office of the Company.

Member/ Proxy Signature

ELECTRONIC VOTING PARTICULARS

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

Note: Please read the complete instructions given under the Notes (The instructions for shareholders voting electronically) to the Notice of 50th Annual General Meeting. The voting time starts from **Tuesday 19th December, 2023 (9.00AM IST)** and ends on **Thursday, 21st December, 2023 (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

www.gargfurnacelimited.com

GARG
FURNACE LIMITED

Kanganwal Road, PO - Jugiana
G.T. Road (Ambala Side) Ludhiana
Punjab-141120 (INDIA) | Tel : 98557-00080
E-mail : gargtoshak@gmail.com

GARG FURNACE LIMITED

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 (CIN: L99999PB1973PLC003385) ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, 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 a summary of the significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 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 independence 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 we have obtained 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 matter described below to be the key audit matter to be communicated in our report.

GARG FURNACE LIMITED

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, Ingot, 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> <p>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.</p> <p>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.</p> <p>On sample basis, we performed test of details of sales recorded close to the year-end through following procedures:</p> <p>i) Analysed the terms and conditions of the underlying contract with the customer, and</p> <p>ii) Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.</p>

Information Other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of 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, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise

GARG FURNACE LIMITED

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.

Management's Responsibility 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 management 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 procedures 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.

GARG FURNACE LIMITED

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 ability of the Company 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:

GARG FURNACE LIMITED

- 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 Flow 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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

GARG FURNACE LIMITED

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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
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

Arvind Jain

Partner

Place: Ludhiana

Dated:30.05.2023

Membership No.: 097549

UDIN: 23097549BGWLDI7629

GARG FURNACE LIMITED

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 31st March, 2023 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 points 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.

GARG FURNACE LIMITED

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 31st March, 2023 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	202949/-	Up to Financial year 2022-23
2.	Punjab State Development Tax Act, 2018	Professional Tax	3000/-	FY 2019-20

(b) There are no statutory dues referred to in sub clause(a) above which have not been deposited on account of a dispute except income tax dues which have not been deposited on account of any dispute, are as follows:

Sr. No	Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which amount relates
1.	The Income Tax Act, 1961	Income Tax	2,34,610/-	A.Y. 2016-2017

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.

GARG FURNACE LIMITED

- (b) The company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority.
- (c) During the year the term loans availed by the Company, were applied for the purpose for which the loans were obtained.
- (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 moneys 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 not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
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.

GARG FURNACE LIMITED

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

Arvind Jain

Partner

Place: Ludhiana

Dated:30.05.2023

Membership No.: 097549

UDIN:23097549BGWLDI7629

GARG FURNACE LIMITED

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 31st March, 2023 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements

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. 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 respective 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 internal financial controls with reference to financial statements of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 system 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 internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

GARG FURNACE LIMITED

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 with reference to financial statements, 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 31st March, 2023, based on the internal control with reference to financial statements 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.

For and on behalf of

Ashwani & Associates

Chartered Accountants

Firm Registration Number: 000497N

by the hand of

Arvind Jain

Partner

Place: Ludhiana

Dated:30.05.2023

Membership No.: 097549

UDIN: 23097549BGWLDI7629

GARG FURNACE LIMITED
Balance Sheet as at 31st March, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
a) Property, Plant and Equipment	3	1,477.72	1,479.97
b) Capital Work-in-progress	3.1	26.77	-
c) Financial Assets			
i) Investments	4	38.09	37.71
ii) Trade receivables	5	108.88	119.21
iii) Other Financial assets	6	209.12	209.12
d) Other non-current assets	7	107.99	106.84
		1,968.57	1,952.85
Current assets			
a) Inventories	8	1,546.71	1,684.79
b) Financial Assets			
i) Trade receivables	9	1,762.47	1,024.16
ii) Cash and cash equivalents	10	80.35	203.37
iii) Bank balances other than (ii) above	11	250.14	32.41
iv) Other Financial assets	12	38.18	29.14
c) Current tax assets (net)	13	15.64	19.17
d) Other current assets	14	215.68	37.91
		3,909.17	3,030.95
Total Assets		5,877.74	4,983.80
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	15	400.87	400.87
b) Other equity	16	1,668.91	1,072.40
		2,069.78	1,473.27
LIABILITIES			
Non-current liabilities			
a) Financial Liabilities			
i) Borrowings	17	413.24	904.15
b) Provisions	18	17.62	16.08
		430.86	920.23
Current liabilities			
a) Financial Liabilities			
i) Borrowings	19	62.65	122.71
ii) Trade payables	20		
(A) total outstanding dues of Micro enterprises and small enterprises; and		6.75	2.51
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		874.10	729.68
iii) Other financial liabilities	21	528.97	10.73
b) Other current liabilities	22	1,898.98	1,720.92
c) Provisions	23	5.65	3.75
		3,377.10	2,590.30
Total Equity and Liabilities		5,877.74	4,983.80
Corporate information	1		
Significant 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

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Vaneera Garg
Director
DIN: 01283990

Arvind Jain
Partner
M. No. 097549

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

Place : Ludhiana
Date : 30th May, 2023

GARG FURNACE LIMITED**Statement of Profit and Loss for the period ended 31st March, 2023***(All amounts in ₹ in Lakhs, unless otherwise stated)*

Particulars	Notes	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
I INCOME			
Revenue From Operations	24	23,824.42	17,859.74
Other Income	25	20.45	42.01
Total Income (I)		23,844.87	17,901.75
II EXPENSES			
Cost of materials consumed	26	18,947.06	13,169.34
Purchase of Stock-in-Trade		1,468.89	2,082.44
Change in inventories of finished goods, Stock-in-Trade and work -in-progress	27	40.31	(256.09)
Employee benefits expense	28	191.69	115.54
Finance costs	29	15.89	22.46
Depreciation and amortization expense	30	141.41	133.72
Other expenses	31	2,445.67	2,002.07
Total Expenses (II)		23,250.92	17,269.48
III Profit/(loss) before exceptional items and tax (I-II)		593.95	632.27
IV Exceptional items		-	-
V Profit/(loss) before Tax (III+IV))		593.95	632.27
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total Tax Expense (VI)		-	-
VII Profit/(loss) for the year (V-VI)		593.95	632.27
VIII Other Comprehensive Income (OCI)			
A Items that will not be reclassified to profit or loss			
(i) Remeasurement gain/(loss) of defined benefit obligation		2.18	0.90
(ii) Net (loss)/gain on fair valuation of equity investments through other comprehensive income		0.38	(7.69)
Other Comprehensive Income for the year (VIII)		2.56	(6.79)
IX Total Comprehensive Income for the year (VII+VIII)		596.51	625.48
X Earnings per equity share			
Basic	32	14.82	15.77
Diluted		14.82	15.77
Corporate information	1		
Significant 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

Arvind Jain

Partner

M. No. 097549

Place : Ludhiana

Date : 30th May, 2023

For and on behalf of the Board of Directors**Devinder Garg***Managing Director*

DIN: 01665456

Vaneera Garg*Director*

DIN: 01283990

Supreena Tagra*Company Secretary***Gurmeet Singh Battu***Chief Financial Officer*

GARG FURNACE LIMITED**Cash flow statement for the year ended 31st March, 2023***(All amounts in ₹ in Lakhs, unless otherwise stated)*

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
A Cash flow from operating activities		
Profit/(loss) before Tax	593.95	632.27
Adjustments for:		
Depreciation and amortisation	141.41	133.72
Net (profit)/loss on sale of fixed assets	35.71	
Finance costs	15.89	22.46
Exchange Rate Fluctuations	(0.12)	(0.59)
Bad debts	8.98	8.32
Allowances for expected credit loss and doubtful receivables	-	(2.62)
Sundry Balances Written Back	-	(6.12)
Interest income on deposits	(18.52)	(16.23)
	183.35	138.94
Operating profit before working capital changes	777.30	771.20
Changes in working capital:		
Decrease/(Increase) in inventories	138.09	(561.82)
Decrease/(Increase) in trade and other receivables	(906.53)	104.88
Increase/(Decrease) in trade payables and other liabilities	851.48	(269.54)
	83.04	(726.48)
Cash generated from operations	860.34	44.72
Taxes paid	(15.64)	(19.32)
Net cash flow from/(used in) operating activities (A)	844.70	25.41
B Cash flow from investing activities:		
Proceeds from sale of property, plant and equipment	29.37	-
Purchase of property, plant and equipment	(231.01)	(188.36)
(Increase)/ Decrease in Term Deposits	(217.74)	(1.51)
Interest received	18.52	16.23
Net cash flow from/(used in) investing activities (B)	(400.86)	(173.63)
C Net cash flow from financing activities:		
Repayments from short term borrowings	(60.07)	-
Repayments from long term borrowings	(490.90)	-
Increase in short term borrowings	-	12.59
Increase in long term borrowings	-	237.28
Finance cost paid	(15.89)	(22.46)
Net cash flow from/(used in) financing activities (C)	(566.86)	227.40
Net change in Cash & cash equivalents (A+B+C)	(123.02)	79.18
Cash & cash equivalents as at the beginning of year	203.37	124.19
Cash & cash equivalents as at end of the year*	80.35	203.37
* Comprises		
Balances with banks in current account	77.65	187.19
Cash on hand	1.22	1.90
Cheques on hand	1.48	14.28
	80.35	203.37

The accompanying notes forms an integral part of the financial statements.

Corporate information

1

Significant 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

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Vancera Garg
Director
DIN: 01283990

Arvind Jain

Partner

M. No. 097549

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

Place : Ludhiana

Date : 30th May, 2023

GARG FURNACE LIMITED
STATEMENT OF CHANGES IN EQUITY

(All amounts ₹ in Lakhs, unless otherwise stated)

A. Equity Share capital

(1) Current reporting period

Balance at the beginning of the current reporting period 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at the end of the current reporting period 31st March, 2023
400.87	-	400.87	-	400.87

(2) Previous reporting period

Balance at the beginning of the current reporting period 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at the end of the current reporting period 31st March, 2022
400.87	-	400.87	-	400.87

B. Other Equity

(1) Current reporting period

Statement of changes in Other Equity for the year ended 31st March, 2023

Particulars	Other equity						Total ₹
	Reserves and Surplus				Other Comprehensive Income		
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of Defined benefit obligation	Equity instruments through Other Comprehensive Income	
Balance at the beginning of the current year 1st April, 2022	23.50	565.31	1,899.24	(1,432.96)	0.79	16.52	1,072.40
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)					2.18		2.18
Net (loss)/gain on FVOCI equity securities						0.38	0.38
Profit for the year transferred from statement of profit and loss				593.95			593.95
Balance as at the end of the current year 31st March, 2023	23.50	565.31	1,899.24	(839.01)	2.96	16.91	1,668.91

(2) Previous reporting period

Statement of changes in Other Equity for the year ended 31st March, 2022

Particulars	Other equity						Total ₹
	Reserves and Surplus				Other comprehensive income		
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of Defined benefit obligation	Equity instruments through Other Comprehensive Income	
Balance as at beginning of the current year 1st April, 2021	23.50	565.31	1,899.24	(2,065.23)	(0.11)	24.21	446.92
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)					0.90		0.90
Net (loss)/gain on FVOCI equity securities					-	(7.69)	(7.69)
Profit for the year transferred from statement of profit and loss				632.27			632.27
Balance as at the end of the current year 31st March, 2022	23.50	565.31	1,899.24	(1,432.96)	0.79	16.52	1,072.40

As per our report of even date attached

For Ashwani & Associates

Chartered Accountants
Firm Registration Number: 000497N
by the hand of

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Vaneera Garg
Director
DIN: 01283990

Arvind Jain
Partner
M. No. 097549

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

Place : Ludhiana
Date : 30th May, 2023

GARG FURNACE LIMITED
Notes to Financial Statements for the year ended 31st March 2023

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 30.05.2023.

2. A. Significant accounting policies

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.

- a. Held primarily for the purpose of trading.
- b. Expected to be realized within twelve months after the reporting period, or
- c. 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:

- a. It is expected to be settled in normal operating cycle.
- b. It is held primarily for the purpose of trading.
- c. It is due to be settled within twelve months after the reporting period, or
- d. 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.

GARG FURNACE LIMITED
Notes to Financial Statements for the year ended 31st March 2023

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 2023

- 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 asset's 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 2023

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 criterias 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.

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Notes to Financial Statements for the year ended 31st March 2023

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.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

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.

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

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Notes to Financial Statements for the year ended 31st March 2023

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.

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.

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Notes to Financial Statements for the year ended 31st March 2023

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 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.

XXV. Note 2 (iii): Recent accounting pronouncements.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

GARG FURNACE LIMITED**Notes to Financial Statements for the year ended 31st March 2023**

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Garg Furnace Limited
Notes to the financial statements for the period ended 31st March, 2023
(All amounts in ₹ in Lakhs , unless otherwise stated)
3 Property, Plant and Equipment
a) Reconciliation of carrying amount as at 31st March, 2023

	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
<u>Gross carrying value</u>							
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
<u>Accumulated Depreciation</u>							
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
<u>Carrying value (net)</u>							
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

b) Reconciliation of carrying amount as at 31st March, 2022

	Freehold land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
<u>Gross carrying value</u>							
Balance at 1st April 2021	24.68	550.35	1,308.44	3.00	75.43	13.33	1,975.23
Additions made during the year	-	-	181.55	-	-	6.81	188.36
Disposals / adjustments during the year	-	-	-	-	-	-	-
Balance at 31st March 2022	24.68	550.35	1,489.99	3.00	75.43	20.14	2,163.59
<u>Accumulated Depreciation</u>							
Balance at 1st April 2021	-	94.30	385.50	2.46	59.45	8.19	549.90
Add: Depreciation charge for the year*	-	18.92	107.31	0.24	5.91	1.34	133.72
Less: On disposals / adjustments / derecognition during the year	-	-	-	-	-	-	-
Balance at 31st March 2022	-	113.22	492.81	2.70	65.36	9.53	683.62
<u>Carrying amount (net)</u>							
At 31st March, 2022	24.68	437.13	997.18	0.30	10.07	10.61	1,479.97
At 31st March, 2021	24.68	456.05	922.94	0.54	15.98	5.14	1,425.33

Notes:

- i) No borrowing cost has been capitalized during the current and previous period.
- ii) Impact of change in accounting estimates. (refer note no. 45 for previous year).

iii) Vehicle Loans are secured by way of hypothecation of vehicles having carrying value of ₹ 127.00 lakhs

3.1 Capital Work - in - progress

Particulars	As at 1st April, 2022	Additions	Capitalised	As at 31st March, 2023
Machinery under Erection	-	26.77	-	26.77

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

Capital work in progress (CWIP) ageing schedule as on 31st March, 2023

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

Capital work in progress (CWIP) ageing schedule as on 31st March, 2022

Particulars	Amount in CWIP for the year ended on 31st March, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Capital work in progress (CWIP) completion schedule as on 31st March, 2023

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Growth Projects	-	-	-	-	-
Environment, safety and compliance	-	-	-	-	-

Capital work in progress (CWIP) completion schedule as on 31st March, 2022

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Growth Projects	-	-	-	-	-
Environment, safety and compliance	-	-	-	-	-

GARG FURNACE LIMITED
Notes to the financial statements for the period ended 31st March, 2023
(All amounts in ₹ in Lakhs, unless otherwise stated)
4 Investments (non-current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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 Sudhir Forgings Private Limited.	38.09	37.71
	38.09	37.71

Aggregate amount of quoted investments and market value thereof,	-	-
Aggregate amount of unquoted investments	38.09	37.71
Aggregate amount of impairment in value of investments	-	7.69

5 Trade Receivables (non-current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
- Trade Receivable which have significant increase in credit risk	134.47	144.80
- Less: Allowances for expected credit loss	(25.59)	(25.59)
	108.88	119.21

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, 2023
(Amount in ₹ Lakhs)

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						(25.59)
Total Trade Receivables						108.88

Trade Receivables Ageing schedule as at 31st March, 2022
(Amount in ₹ Lakhs)

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	-	-	8.84	-	93.69	102.53
(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	-	39.43	42.27
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	-	-	11.68	-	133.12	144.80
Less: Allowance for expected credit loss						(25.59)
Total Trade Receivables						119.21

* 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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GARG FURNACE LIMITED
Notes to the financial statements for the period ended 31st March, 2023
(All amounts in ₹ in Lakhs, unless otherwise stated)
Allowance for Expected Credit Loss (ECL)

Particulars	Financial Year	
	2022-23	2021-22
Allowances for expected credit loss and doubtful receivables		
Balance at the beginning of the period	25.59	28.21
Reversal of provision recognised	-	2.62
Expected credit loss*	-	-
Amount written off	-	-
Balance at the end of the period	25.59	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, 2023	As at 31st March, 2022
Security Deposits	207.12	207.12
Balances with banks held as margin money against borrowings and other commitments		
Fixed deposits account with remaining maturity of more than twelve months	2.00	2.00
	209.12	209.12

7 Other non-current assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured - considered good		
Capital Advances	9.35	1.00
Advances other than capital advances :		
i) Security Deposits	14.24	13.46
ii) Advance to Supplier	9.40	17.38
iii) Other Advances:		
- Considered good - Unsecured	75.00	75.00
- Considered doubtful - Unsecured	73.62	73.62
- Less: Provision for doubtful advances	(73.62)	(73.62)
	107.99	106.84

8 Inventories

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Valued at cost or net realisable value, whichever is lower)		
Raw Materials	625.72	820.38
Finished Goods	776.47	828.97
Stock-in-Trade	18.87	6.68
Store and Spares	125.65	28.76
	1,546.71	1,684.79
Notes:		
1. Inventories includes ₹ 789.16 as at 31st March, 2023 and ₹ 23.94 lakhs as at 31st March, 2022 valued at net realisable value.		
2. Cost of inventory recognised as expense during the current period ₹ 20701.65 lakhs (Previous year ₹ 15549.41 lakhs)		

9 Trade Receivables

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
- Trade Receivables	1,762.47	1,024.16
	1,762.47	1,024.16

Trade Receivables Ageing schedule as on 31st March, 2023
(Amount in ₹ Lakhs)

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	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

GARG FURNACE LIMITED
Notes to the financial statements for the period ended 31st March, 2023
(All amounts in ₹ in Lakhs, unless otherwise stated)
Trade Receivables Ageing schedule as on 31st March, 2022
(Amount in ₹ Lakhs)

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	1,024.11	0.05	-	-	-	1,024.16
(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	1,024.11	0.05	-	-	-	1,024.16

* 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, 2023	As at 31st March, 2022
Balances with banks		
- In current accounts	77.65	187.19
- In deposit accounts (having original maturity of three months or less)	-	-
Cash on hand	1.22	1.90
Cheques on hand	1.48	14.28
	80.35	203.37

11 Other Bank Balances

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks held as margin money against borrowings and other commitments		
Fixed deposits with original maturity of more than three months but less than twelve months	-	32.41
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	250.14	-
	250.14	32.41

12 Other Financial assets (current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured - considered good		
Interest Receivable	38.18	29.14
	38.18	29.14

13 Current Tax Assets (net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance income tax/TDS/TCS	15.64	19.17
	15.64	19.17

14 Other current assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured - considered good		
Capital Advances	5.15	5.03
Advances other than Capital Advances		
Advances to suppliers	13.13	7.43
Advances to employees	0.40	0.37
Balances with statutory authorities	41.89	21.77
Prepaid expenses	3.64	1.64
Other receivables	1.47	1.67
Balance and deposits with government department or others	150.00	-
	215.68	37.91

Garg Furnace Limited
Notes to the financial statements for the year ended 31st March, 2023
(All amounts in ₹ in Lakhs, unless otherwise stated)

15 Equity Share Capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity shares of ₹ 10/- each (par value)	10000000	1,000.00	10000000	1,000.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10/- each (par value)	4008700	400.87	4008700	400.87

a) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount in ₹	Number	Amount in ₹
Issued, subscribed and paid-up equity shares				
Shares and share capital outstanding at the beginning of the period	4008700	400.87	4008700	400.87
Shares and share capital issued during the period	-	-	-	-
Shares and share capital outstanding at the end of the period	4008700	400.87	4008700	400.87

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 if 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.

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% of the aggregate shares in the Company

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No of shares held	% holding	No of shares held	% holding
Shiv Narayan Investment Pvt Ltd	5,35,000	13.35%	5,35,000	13.35%
Devinder Garg	10,54,290	26.30%	10,54,290	26.30%
Toshak Garg	2,16,951	5.41%	2,16,951	5.41%
Vaneera Garg	10,67,510	26.63%	10,67,510	26.63%
Daksh Garg	2,10,550	5.25%	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, 2023			Shareholding of Promoter and Promoter Group as on 31st March, 2022		
		No. of Shares	% of total shares	% Change during the period	No. of Shares	% of total shares	% Change during the period
1	Sh. Devinder Garg	10,54,290	26.30%	No change during the year	10,54,290	26.30%	No change during the year
2	Smt Vaneera Garg	10,67,510	26.63%		10,67,510	26.63%	
3	Toshak Garg	2,16,951	5.41%		2,16,951	5.41%	
4	Daksh Garg	2,10,550	5.25%		2,10,550	5.25%	
5	Davinder Garg & Sons	20,000	0.50%		20,000	0.50%	
6	Davinder Garg Karta of Davinder Garg & Sons	3,600	0.09%		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	25,74,901	64.23%		25,74,901	64.23%	

Garg Furnace Limited
Notes to the financial statements for the year ended 31st March, 2023
(All amounts in ₹ in Lakhs, unless otherwise stated)

16 Other Equity

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Reserves and surplus		
a. Capital Reserves		
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: Securities premium on allotment of equity shares	-	-
Closing balance	565.31	565.31
c. General Reserve		
Opening balance	1,899.24	1,899.24
Add: Transferred from surplus in statement of profit and loss	-	-
Closing balance	1,899.24	1,899.24
d. Retained Earnings		
Opening balance	(1,432.96)	(2,065.23)
Add: Profit for the year	593.95	632.27
Closing balance	(839.01)	(1,432.96)
(ii) Remeasurements of defined benefit obligation		
Opening balance	0.79	(0.11)
Add: Other comprehensive income/(expense) net of tax impact	2.18	0.90
Closing balance	2.97	0.79
(iii) (Loss)/gain on fair valuation of equity investments through other comprehensive income		
Opening balance	16.52	24.21
Add: Other comprehensive income/(expense) net of tax impact	0.38	(7.69)
Closing balance	16.90	16.52
Total	1,668.91	1,072.41

Nature and purpose of reserves

Securities premium reserve

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.

Other comprehensive income:

-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.

-(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.

GARG FURNACE LIMITED
Notes to the financial statements for the year ended 31st March, 2023
(All amounts in ₹ in Lakhs, unless otherwise stated)
17 Borrowings (non-current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
1) Term Loan - Secured		
From Financial Institutions - Indian Rupees	89.54	-
2) Term Loan - Unsecured		
From Financial Institutions - Indian Rupees	-	53.36
3) Loans from Related Parties - Unsecured		
From Directors (Refer Note - 39)	263.70	758.29
4) Other Loans - Unsecured		
From others	60.00	92.50
	413.24	904.15

Terms of Repayment	Repayment details of loan outstanding as at 31st March, 2023 (including current maturities)
Term Loan (Secured) : Vehicle Loan	98.02
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	
Term Loan (Unsecured) : Loan Against Property	54.17
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.	
Loans from Related Parties (Unsecured) :	263.70
i) Repayable on demand	
Other loans (unsecured) :	60.00
i) Repayable on demand	

Terms of Repayment	Repayment details of loan outstanding as at 31st March, 2022 (including current maturities)
Term Loan (Unsecured) : Loan Against Property	176.07
i) Loan repayable in monthly instalments, Total number of instalments pending are 17 as on 31st March, 2022	
ii) The term loan from HDB Financial Services Ltd is secured against residential properties/plots in the name of Executive Directors and their relatives.	
Loans from Related Parties (Unsecured) :	758.29
i) Repayable on demand	
Other loans (unsecured) :	92.50
i) Repayable on demand	

18 Provisions- Non Current

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (refer note no.34)	17.62	16.08
	17.62	16.08

19 Borrowings- Current

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Current maturities of long-term borrowings (Vehicle Loan)	8.48	-
Unsecured		
Current maturities of long-term borrowings (Loan against property)	54.17	122.71
	62.65	122.71

GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2023

*(All amounts in ₹ in Lakhs, unless otherwise stated)***20 Trade payables (current)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Outstanding dues of micro enterprises and small enterprises (Refer Note No. 36)	6.75	2.51
Outstanding dues of creditors other than micro enterprises and small enterprises	874.10	729.68
	880.85	732.19

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

Trade Payables Ageing schedule as on 31st March, 2022

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	2.51	-	-	-	2.51
(ii) Others	722.08	0.02	7.58	-	729.68
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	-	-
Total	724.59	0.02	7.58	-	732.19

* 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, 2023	As at 31st March, 2022
Cheque issued but not presented	528.97	9.55
Interest Accrued but not due	-	1.18
	528.97	10.73

22 Other current liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues payables	99.40	41.45
Advance from customers	1,529.28	1,599.85
Expenses Payable	221.97	49.31
Employee Related Payables	48.33	30.31
	1,898.98	1,720.92

* Statutory dues payable includes contribution to provident fund, ESI, punjab labour welfare fund, goods & services tax and tax deducted at source, etc.

23 Provisions (current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits	5.65	3.75
	5.65	3.75

GARG FURNACE LIMITED**Notes to the financial statements for the year ended 31st March, 2023***(All amounts in ₹ in Lakhs , unless otherwise stated)***24 Revenue from Operations**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of Products (Net of GST)	22,292.83	15,462.24
Sale of Traded goods	1,531.59	2,397.50
	23,824.42	17,859.74

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the year ended 31st March, 2023 and 31st March, 2022 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, 2023	For the year ended 31st March, 2022
Details of product Sold		
Non Alloy Steel round	12,462.00	10,017.17
End Cutting	464.46	640.44
Wire rod	4,057.11	2,052.32
Billets	3,132.99	1,408.83
Alloy Steel round	134.66	-
M.S. Scrap	1,004.08	350.78
Others	1,037.53	992.70
	22,292.83	15,462.24

25 Other Income

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income	18.52	16.23
Other non-operating income:		
Rental Income	1.81	1.80
Sundry Balances Written Back	-	6.12
Commission & Brokerage	-	15.50
Miscellaneous Income	0.12	2.36
	20.45	42.01

26 Cost of materials consumed

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening stock	820.38	526.86
Add : Purchases (Net)	18,752.40	13,462.86
Less: Closing Stock	625.72	820.38
Cost of material consumed	18,947.06	13,169.34

Detail of material consumed		
M.S. Scrap	17757.38	11,383.15
Silicon Magnesium	178.16	179.22
Nickle	48.25	-
Others	963.28	1,606.97
	18,947.07	13,169.34

GARG FURNACE LIMITED**Notes to the financial statements for the year ended 31st March, 2023***(All amounts in ₹ in Lakhs , unless otherwise stated)***27 Change in inventories of finished goods, stock in trade and work -in-progress**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventories at the beginning of the year		
Finished Goods	828.97	575.14
Stock-in-Trade	6.68	4.43
Inventories at the end of the year		
Finished Goods	776.47	828.97
Stock-in-Trade	18.87	6.68
Net (Increase)/decrease in inventory	40.31	(256.09)

28 Employee Benefits Expenses

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salary, Wages and other Allowances (including Bonus)	156.03	93.41
Contribution to provident and other funds	7.74	5.78
Staff Welfare Expenses	1.07	0.80
Director's Remuneration	26.85	15.55
	191.69	115.54

29 Finance cost

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Expense on:		
-working capital	2.01	-
-other borrowings	13.41	21.60
Other Borrowings Cost	0.47	0.86
	15.89	22.46

30 Depreciation and amortisation expense

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation of property, plant and equipment (refer note 3)	141.41	133.72
	141.41	133.72

(This space has been left blank intentionally)

GARG FURNACE LIMITED**Notes to the financial statements for the year ended 31st March, 2023***(All amounts in ₹ in Lakhs , unless otherwise stated)***31 Other expenses**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Power and Fuel	2,030.73	1,612.90
Consumption of Stores,consumables & spare parts	297.88	299.88
Repairs and Maintenance		
- Plant and Machinery	8.87	14.91
- Building	1.44	19.16
- Vehicle	22.17	18.18
- Others	0.92	0.83
Bad Debts	8.98	8.32
(Refer note no 48)	3.51	
Loss on Sale of Fixed Assets	35.72	
Auditor's Remuneration	4.25	4.75
Rates & Taxes	6.79	2.57
Insurance	3.64	2.83
Legal & Professional Expenses	3.74	3.03
Interest on Late Payment	0.06	0.24
Charity & Donation		0.21
Miscellaneous Expenses	16.97	14.26
	2,445.67	2,002.07

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

The Company's Earnings Per Share ('EPS') is determined based on the net profit/(loss) 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, 2023	For the year ended 31st March, 2022
Earnings Per Share has been computed as under:			
Profit for the year attributable to the Equity holders of the Company	A	593.95	632.27
Weighted-average number of equity shares (number)	B	4008700	4008700
Weighted average number of equity shares in computing diluted earning per share (number)	C	4008700	4008700
Basic earnings per share (₹)	A/B	14.82	15.77
Diluted earnings per share (₹)	A/C	14.82	15.77
Face value per equity share (₹)		10.00	10.00

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

GARG FURNACE LIMITED**Notes to the financial statements for the year ended 31 March 2023***(All amounts in ₹ in Lakhs , unless otherwise stated)***33 Contingent Liabilities (To the extent not provided for)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(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 ₹ 150 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.

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, 2023	As at 31st March, 2022
Present value of obligation as at the beginning of the year	15.48	12.50
Interest cost	1.12	0.84
Current service cost	3.65	3.05
Benefits paid	-	-
Remeasurement - actuarial (gain) / loss	(2.18)	(0.90)
Present value of obligation as at the end of the year	18.08	15.48

(ii) Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of the defined benefit obligation as at the end of the year	18.08	15.48
Fair value of plan assets as at the end of the year	-	-
Net asset/(liability) recognised in the Balance Sheet	18.08	15.48

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current service cost	3.65	3.05
Net Interest cost	1.12	0.84
Interest income on plan assets	-	-
(Income)/Expense recognised in the statement of profit and loss	4.77	3.89

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	(2.18)	(0.90)
Actuarial (gain)/loss for the year on plan assets	-	-
Total Actuarial (gain)/loss at the end of the year	(2.18)	(0.90)

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current liability (amount due within one year)	3.09	2.34
Non current Liability (amount due over one year)	14.98	13.14
Total PBO at the end of the year	18.07	15.48

GARG FURNACE LIMITED
Notes to the financial statements for the year ended 31st March, 2023
(All amounts in ₹ in Lakhs , unless otherwise stated)
(vi) Bifurcation of actuarial (gain) / loss

Particulars	As at 31st March, 2023	As at 31st March, 2022
Actuarial (Gain) / loss on arising from change in demographic assumption	-	-
Actuarial (Gain) / loss on arising from change in financial assumption	(0.06)	(0.22)
Actuarial (Gain) / loss on arising from change in experience assumption	(2.12)	(0.68)
	(2.18)	(0.90)

(vii) Principal actuarial assumptions at the Balance Sheet date

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mortality Table	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate
Attrition rate	20.00%	20.00%
Imputed Rate of return/ Discount rate (per annum)	7.37%	7.24%
Rate of increase in compensation levels (per annum)	8.00%	8.00%
Average remaining working lives of employees (years)	20.57	19.75
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:

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.

b) Imputed Rate of Return (IROR) - Reduction in discount rate in subsequent valuations can increase the plan's liability.

c) Mortality - Actual deaths proving lower or higher than assumed in the valuation can impact liabilities

d) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact Plan's liability.

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

SENSITIVITY CUM SCENARIO TESTING (GRATUITY)				
SR	IROI	AR	AVGL(RS.)	Difference over base
-1.00	-1.00	-1.00	18,18,063.00	11,034.00
-1.00	0.00	-1.00	17,69,797.00	(37,232.00)
-1.00	1.00	-1.00	17,24,886.00	(82,143.00)
-1.00	-1.00	0.00	18,07,303.00	274.00
-1.00	0.00	0.00	17,61,092.00	(45,937.00)
-1.00	1.00	0.00	17,17,997.00	(89,032.00)
-1.00	-1.00	1.00	17,97,047.00	(9,982.00)
-1.00	0.00	1.00	17,52,718.00	(54,311.00)
-1.00	1.00	1.00	17,11,297.00	(95,732.00)
0.00	-1.00	-1.00	18,69,258.00	62,229.00
0.00	0.00	-1.00	18,17,769.00	10,740.00
0.00	1.00	-1.00	17,69,953.00	(37,076.00)
0.00	-1.00	0.00	18,56,213.00	49,184.00
0.00	0.00	0.00	18,07,029.00	-
0.00	1.00	0.00	17,61,244.00	(45,785.00)
0.00	-1.00	1.00	18,43,867.00	36,838.00
0.00	0.00	1.00	17,96,785.00	(10,244.00)
0.00	1.00	1.00	17,52,865.00	(54,164.00)
1.00	-1.00	-1.00	19,23,456.00	1,16,427.00
1.00	0.00	-1.00	18,68,460.00	61,431.00
1.00	1.00	-1.00	18,17,486.00	10,457.00
1.00	-1.00	0.00	19,07,871.00	1,00,842.00
1.00	0.00	0.00	18,55,452.00	48,423.00
1.00	1.00	0.00	18,06,753.00	(276.00)
1.00	-1.00	1.00	18,93,206.00	86,177.00
1.00	0.00	1.00	18,43,134.00	36,105.00
1.00	1.00	1.00	17,96,523.00	(10,506.00)

B. Contribution to Provident Fund

The company has recognized an expense of ₹ 2.96 Lakhs (Previous year ₹ 1.87 Lakhs) in respect of contribution to Provident Fund.

GARG FURNACE LIMITED**Notes to the Financial Statements for the year ended 31st March, 2023***(All amounts in ₹ in Lakhs , unless otherwise stated)***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, 2023	As at 31st March, 2022
Revenue from Domestic Sales	23,824.42	17,859.74
Total Revenue	23,824.42	17,859.74

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Revenue from Top 1 Customer (Amount)	2,120.47	1,347.12
Revenue from Top 1 Customer (Percentage)	8.90%	7.54%
Revenue from Other Customers (Amount)	21,703.95	16,512.62
Revenue from Other Customers (Percentage)	91.10%	92.46%
Total Revenue	23,824.42	17,859.75

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, 2023	As at 31st March, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6.75	2.51
(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 paid along with the amount of payment made to the suppliers beyond the appointed day	-	-
(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 Vancera Industries Limited was ₹ 1,80,000/- for the year ended 31-Mar-2023 (Previous year ₹ 1,80,000/-).

38 The Code on Social Security, 2020 ('SS Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The SS Code has been published in the Gazette of India. However, the date on which the SS Code will come into effect has not been notified. The Company will assess the impact of the SS Code when it comes into effect and will record any related impact in the period when the SS Code becomes effective.

GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2023

*(All amounts in ₹ Lakhs , unless otherwise stated)***39 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) Vaneera Garg (Executive Director) Dharam Chand (Independent Director) Amandeep Kaur (Independent Director) (w.e.f. 01.04.2023) Jyoti Batra (Independent Director) (w.e.f. 27.04.2023) Manjeet Singh (Independent Director) (upto 15.10.2022) Gurmeet Singh Battu (Chief Financial Officer) Chandni Jain (Company Secretary) (upto 25.06.2022) Supreena Tagra (Company Secretary) (w.e.f. 15.07.2022)
(iii) Relatives of Key Management Personnel	Toshak Garg (Son of Director) Daksh Garg (Son of Director) Nivedita Garg (Daughter in law of Director) Ridhima Goyal (Daughter in law of Director)

(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, 2023	As at 31st March, 2022
Purchase of goods -From Vaneera Industries Limited	288.10	354.61
Sales of Goods -To Vaneera Industries Limited	2,120.47	801.08
Rent received -From Vaneera Industries Limited	1.80	1.80
Electricity Charges received -From Vaneera Industries Limited	0.60	0.60
(ii) Key management personnel (KMP) and Relatives of KMP		
Managerial Remuneration*	26.85	15.55
Unsecured Loan received	806.50	1,329.40
Unsecured Loan Repaid	1,301.09	955.90

(c) Details of balances outstanding as at year end

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance against Sale of Goods (Payable) -From Vaneera Industries Limited	1,523.28	1,595.84
Closing Balance of Loans (Payable)	263.70	758.29
Managerial Remuneration (Payable)*	32.34	14.70

(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.

GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2023

(All amounts ₹ in Lakhs, unless otherwise stated)

40 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, 2023

in ₹ lakhs

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				38.09		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
Loans	-					-	-
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

As at 31st March, 2022

in ₹ lakhs

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				37.71		37.71	37.71
Other financial non-current assets	209.12					209.12	209.12
Trade receivables	1,143.37					1,143.37	1,143.37
Loans	-					-	-
Cash and cash equivalents	203.37					203.37	203.37
Other Bank Balances	32.41					32.41	32.41
Other financial current assets	29.14					29.14	29.14
Total	1,617.41	-	-	37.71	-	1,655.12	1,655.12
Financial Liabilities:							
Long Term Borrowings	904.15					904.15	904.15
Short Term Borrowings	122.71					122.71	122.71
Trade Payables	732.19					732.19	732.19
Other financial current liabilities	10.73					10.73	10.73
Total	1,769.78	-	-	-	-	1,769.78	1,769.78

(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).

GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2023

(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, 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 profit & loss	38.09		38.09		
Total	38.09	-	38.09	-	

As at 31st March, 2022

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 profit & loss	37.71		37.71		
Total	37.71	-	37.71	-	

41 Financial Risk Management

The financial assets of the company include investments, loans, 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 is 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, 2023 is ₹ 475.90 Lakhs (previous year ₹ 1026.86 Lakhs) out of which are borrowings amounting to ₹ 152.19 Lakhs (previous year ₹ 176.07 Lakhs) is interest bearing and with variable rate of interest. The balance borrowings amounting to ₹ 323.71 Lakhs (previous year ₹ 850.79 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
	2022-23	2021-22
Long term borrowings	89.54	53.36
Short term borrowings (Current maturities of long term debt)	62.65	122.71

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	
	2022-23	2021-22
	Increase/ (decrease) in 100 basis point	1.52

GARG FURNACE LIMITED**Notes to the financial statements for the year ended 31st March, 2023***(All amounts ₹ in Lakhs, unless otherwise stated)***(ii) Liquidity Risk**

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	
	2022-23	2021-22
Borrowings including current maturities	152.19	176.07
Less than 1 year	62.65	122.71
1-2 year	8.66	53.36
2-5 year	80.89	-
5-10 year	-	-
Later	-	-
Short term borrowings		
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	880.85	732.19
Less than 1 year	880.85	732.19
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	528.97	10.73
Less than 1 year	528.97	10.73
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	
	2022-23	2021-22
Top 1 Customer (%)	8.90%	7.54%
Other Customer (%)	91.10%	92.46%

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	
	2022-23	2021-22
Less than one year	1762.47	1024.16
More than one year	134.47	119.21

The allowance for lifetime expected credit loss on customer balances for the year ended 31st March, 2023 was ₹ 25.59 Lakhs (previous year ₹ 25.29 Lakhs).

Write off policy

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

GARG FURNACE LIMITED**Notes to the financial statements for the year ended 31st March, 2023***(All amounts ₹ in Lakhs, unless otherwise stated)***42 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	Financial Year
	2022-23	2021-22
Borrowings including current maturities and interest accrued but not due	475.89	1026.86
Less: Cash & cash equivalent and other bank balances	(330.49)	(235.78)
Net debt (A)	145.40	791.08
Total equity (B)	2,069.78	1,473.27
Gearing ratio (A/B)	7.02%	53.70%

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 31-Mar-2023 and 31-Mar-2022.

(This space has been left blank intentionally)

GARG FURNACE LIMITED

Notes to the financial statements for the year ended 31st March, 2023

*(All amounts ₹ in Lakhs, unless otherwise stated)***43 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, 2022 coming under the financing activities of Cash Flow Statement	12.59	1,014.27
a) Changes from financing cash flow	(60.06)	(490.90)
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	(47.47)	523.37

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 1st April, 2021 coming under the financing activities of Cash Flow Statement	(0.00)	776.99
a) Changes from financing cash flow	12.59	237.28
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, 2022 coming under the financing activities of Cash Flow Statement	12.59	1,014.27

44 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

45 Change in Accounting Estimates in accordance with Ind AS 8 on 'Accounting Policies, Changes in Accounting Estimates and Errors.'

During the previous year, the company has revised the useful life of Property, Plant and Equipment which is a change in accounting estimates in accordance with the Ind AS 8 on 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Particulars	0 to 5 years	6 to 10 years	11 to 15 years
Increase/ (Decrease) in Depreciation	180.52	69.12	3.36

46 Auditor's Remunerations

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory Audit Fee	3.45	3.45
Tax audit fee	0.80	0.80
GST Audit Fee	-	-
Other fees	-	0.50
	4.25	4.75

47 Figures in bracket indicate deductions.

GARG FURNACE LIMITED
Notes to the financial statements for the year ended 31st March, 2023
(All amounts ₹ in Lakhs, unless otherwise stated)
48 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, 2023	31st March, 2022
Amount required to be spent on CSR by the Company during the year	3.51	Not Applicable
Amount of expenditure incurred	3.51	Not Applicable
Shortfall if any, at the end of the year	-	Not Applicable
Total of previous years shortfall	Not Applicable	Not Applicable
Nature of CSR activities	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	-	Not Applicable

49 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.
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.

17 Analytical Ratios

S.No	Particulars	Numerator	Denominator	31-03-2022	31-03-2022	Variance (in %age)	Reasons
1	Current Ratio	Current Assets	Current Liabilities	1.16	1.17	(1.06)	Not Applicable
2	Debt-Equity Ratio	Total debt	Total Equity	0.23	0.70	(67.15)	Due to decrease in debt during the year
3	Debt Services coverage Ratio	Earnings available for debt service	Gross Interest+Repayment of loan, unsecured loan	52.97%	70.08%	24.42	Not Applicable
4	Return on equity ratio (ROE)	Net profit after Tax	Average Shareholders Equity	33.53%	54.48%	38.46	Due to decrease in net profit during the year
5	Inventory Turnover Ratio (in days)	Revenue from Operations	Average Inventory	14.75	12.72	15.92	Not Applicable
6	Trade receivable turnover ratio (in days)	Credit Sales	Average Trade Receivables	15.81	15.00	5.37	Not Applicable
7	Trade payable turnover ratio (in days)	Credit Purchases	Average Trade Payables	25.07	21.81	14.96	Not Applicable
8	Net capital turnover ratio	Turnover	Working capital	44.78	40.53	(10.48)	Not Applicable
9	Net profit ratio	Net profit after Tax	Turnover	2.49%	3.54%	29.58	Due to decrease in net profit during the year
10	Return on capital employed (ROCE)	EBIT	Tangible Net Worth Total debt+Deferred Tax Liabilities	23.94%	26.15%	8.46	Not Applicable
11	Return on Investment	Return on investments	Investments	-	-	-	There are no return on investments.

- 50 The Code on Social Security, 2020 ('SS Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The SS Code has been published in the Gazette of India. However, the date on which the SS Code will come into effect has not been notified. The Company will assess the impact of the SS Code when it comes into effect and will record any related impact in the period when the SS Code becomes effective.
- 51 Previous year figures have been regrouped/recasted/rearranged wherever necessary to conform to its classification of the current year.

As per our report of even date attached

For Ashwani & Associates

Chartered Accountants

Firm Registration Number: 000497N

by the hand of

Arvind Jain

Partner

M. No. 097549

Place : Ludhiana

Date : 30th May, 2023

For and on behalf of the Board of Directors

Devinder Garg

Managing Director

DIN: 01665456

Vaneera Garg

Director

DIN: 01283990

Supreena Tagra

Company Secretary

Gurmeet Singh Battu

Chief Financial Officer