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**GARG
FURNACE LTD.**

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

September 03th, 2020

To,
The Manager,
Listing Department
BSE Limited,
25th Floor, Phiroze Jeejeebhoy
Towers, Dalal Street,
Mumbai - 400 001

Scrip Code: 530615

Subject: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Annual Report for the F.Y. 2019-20

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of our Company along with the Notice of the Annual General Meeting for the Financial Year 2019-20.

Kindly take the same on your record.

Thanking You

Yours Faithfully

For Garg Furnace Limited

Devinder Garg
Managing Director
DIN: 01665456

Encl: as above



47th
ANNUAL REPORT
2019-20

GARG FURNACE LIMITED

GARG FURNACE LIMITED

MANAGEMENT

BOARD OF DIRECTORS

DIRECTORS (PROMOTERS)	:	Sh. Devinder Garg (Executive Chairman) Smt. Vaneera Garg (Women, Non Executive Director)
DIRECTORS INDEPENDENT	:	Sh. Manjeet Singh Sh. Dharam Chand
AUDITOR	:	M/s R.K Chadha & Co. GT Road, Miller Ganj, LUDHIANA 141 003 (Resigned) M/s Ashwani & Associates 19-A, Block-B, Udham Singh Nagar, Tagore Nagar, Ludhiana, Punjab 141001 (Appointed)
COST AUDITOR	:	Meenu & Associates H.No. S-200, Basant Vihar Colony Noorwala Road, LUDHIANA.
BANKERS	:	Indian Bank
REGISTERED OFFICE & WORK	:	Kanganwal Road, V.P.O. Jugiana, G.T. Road, LUDHIANA-141120

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CIN: L99999PB1973PLC003385

Regd. Office: Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana-141120 Phone:

Ph No. 0161-2512285

Email: gargfurnace@yahoo.com, Web: www.gargfurnace.com

NOTICE

Notice is hereby given that the **47th** Annual General Meeting of the members of the company would be held on **Wednesday, the 30th day of September, 2020 at 10:30 A.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, 2020** 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 **Mr. Devinder Garg (DIN: 01665456)**, who retires from office by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Statutory Auditor to fill casual vacancy:

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

“RESOLVED that pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. Ashwani & Associates, Chartered Accountants, (Firms Registration No. 000497N), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s R.K. Chadha & Co., Chartered Accountants, (Firm Registration No: 003513N).

“RESOLVED FURTHER that M/s. Ashwani & Associates, Chartered Accountants, (Firms Registration No. 000497N), be and are hereby appointed as Statutory Auditors of the Company to hold the office from 11th August, 2020, until the conclusion of this Annual General Meeting (47th) of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.”

4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

“RESOLVED that pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. Ashwani & Associates, Chartered Accountants, (Firms Registration No. 000497N), be and are hereby appointed as Statutory Auditors of the Company 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, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.”

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5. 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. 20000.00** (Rs. Twenty Thousand Only) plus out-of-pocket expenses payable to M/S Meenu & Associates, Cost Accountants (Firm's Registration No. Frn; 100729) 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 **31 March, 2021.**”

6. Regularisation of Appointment of Mr. Manjeet Singh (DIN: 08592748) From Additional Independent Director to Independent Director:

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

“**RESOLVED THAT** pursuant to provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act,2013 and read rules of the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force) and as per applicable Regulations and schedules of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 the consent of the members be and are hereby accorded for regularization of appointment of **Mr. Manjeet Singh (DIN: 08592748)** from additional Independent director to Independent Director, as recommended by Nomination and Remuneration Committee and Board of Directors, in their meeting held on 27th August, 2020, on the basis of the performance evaluation to hold office for a period of five years w.e.f. 30th September, 2020, and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

7. Regularisation of Appointment of Mr. Dharam Chand (DIN: 08592773) From Additional Independent Director to Independent Director:

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

“**RESOLVED THAT** pursuant to provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act,2013 and read rules of the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force) and as per applicable Regulations and schedules of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 the consent of the members be and are hereby accorded for regularization of appointment of **Mr. Dharam Chand (DIN: 08592773)** from additional Independent director to Independent Director, as recommended by Nomination and Remuneration Committee and Board of Directors, in their meeting held on 27th August, 2020, on the basis of the performance evaluation to hold office for a period of five years w.e.f. 30th September, 2020, and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

For and on behalf of the Board

SD/-

Devinder Garg

Chairman

DIN :01665466

Place: LUDHIANA

Date: 02/09/2020

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.

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A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PER CENT 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 and 5 above, is annexed hereto.

c) The Board of Directors of your Company comprised of 4 directors of which 2 directors viz. Mr. Manjeet Singh (DIN: 08592748) and Mr. Dharam Chand (DIN: 08592773) Independent Director, who are not liable to retire by rotation in terms of Sections 149 and 152 of the Companies Act, 2013. Further, Mr. Devinder Garg, appointed as Chairman & Managing Director of your Company, Mrs. Vaneera Garg Non Executive -Woman Director are appointed are subject to retires by rotation, and one of them Mr. Devinder Garg is liable to retire by rotation at this AGM in pursuance with the provisions of the Companies Act, 2013.

d) The relevant details of Directors seeking appointments/re-appointment under Item Nos. 2, 6 and 7 above, as required by regulation as applicable of SEBI (LO&DR) Regulations 2016, is also annexed.

e) The Register of Members and Share Transfer books of the Company will remain closed from **Thursday, 24th September, 2020** and ends on **Wednesday, 30th September, 2020 (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.

h) 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

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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

I. 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 47th 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:

1. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Saturday, 26th September, 2020 (9.00AM IST)** and ends on **Tuesday, 29th September, 2020 (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 **23rd September, 2020**, 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) The shareholders should log on to the e-voting website - **www.evotingindia.com**
- (iv) Click on Shareholders.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Or

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on address slip

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	<ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Date of Birth (DOB)	<ul style="list-style-type: none"> Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<ul style="list-style-type: none"> 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. 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 as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Garg Furnace Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
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 provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.
- (xxi) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **www.helpdesk.evotingindia.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 should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - 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.
- (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 **23rd September, 2020** may follow the same instructions as mentioned above for e-Voting.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy 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 1800225533.

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i) Shri Divyam Parbhakar of M/s. Divyam Parbhakar & Associates, Practicing Company Secretaries has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.

ii) The Scrutinizer shall immediately after the conclusion of voting at the General meeting first count the vote cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in voting who shall countersign the same.

The Scrutinizer shall submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman. The results declared along with the Scrutinizer's report, will be posted on the Company's Website by **01st October, 2020**.

The investors may contact for redressal of their grievances/queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances /queries to the Company e-mail address

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EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 2 to 7 of the accompanying Notice dated **27th August, 2020**:

Item No. 2:

A brief profile of the Directors to be 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	Sh. Devinder Garg
Date of Birth	25/05/1965
Date of Appointment	15/11/2016
Qualification	B.A
Expertise in Specific Area	Business Experience of More than 22 Yrs.
Directorship in other Companies	Nil
Chairman/Member of committees of other Companies	Nil

Item No.3:

The Members of the Company at its 44th AGM had appointed M/s R.K. Chadha & Co., Chartered Accountants, (Firm Registration No: 003513N) Statutory Auditors of the Company to hold office from the conclusion of 44th AGM till the conclusion of 49th Annual General Meeting of the Company respectively subject to ratification of the appointment by the Members at every AGM held after the 44th AGM of the Company.

M/s R.K. Chadha & Co., Chartered Accountants, (Firm Registration No: 003513N) vide their letter dated 17th July, 2020 have resigned from the position of Statutory Auditors of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 11th August, 2020, pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed **M/s Ashwani & Associates, Chartered Accountants, Ludhiana** (Registration No. 000497N), to hold office as the Statutory Auditors of the Company till the conclusion of 47th AGM and to fill the casual vacancy caused by the resignation of M/s R.K. Chadha & Co., Chartered Accountants, (Firm Registration No: 003513N) subject to the approval by the members at the 47th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined with the Auditors and duly approved by the Director of the Company.

The Company has received consent letter and eligibility certificate from **M/s Ashwani & Associates, Chartered Accountants, Ludhiana** (Registration No. 000497N), to act as Statutory Auditors of the Company in place of M/s R.K. Chadha & Co., Chartered Accountants, (Firm Registration No: 003513N) along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

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The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members

Item No. 4:

The Board of Directors at its meeting held on 11th August, 2020, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment of **M/s Ashwani & Associates, Chartered Accountants, Ludhiana** (Registration No. 000497N), as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 47th AGM, till the conclusion of the 52nd AGM of the Company to be held in the year 2025, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.

The Company has received consent letter and eligibility certificate from **M/s Ashwani & Associates, Chartered Accountants, Ludhiana** (Registration No. 000497N) to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members.

Item No. 5:

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 Meenu & Associates, Cost Accountants (Firm's Registration No. Frn; 100729) 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, 2021, 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending **31 March, 2021**.

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. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Item No. 6:

Mr. Manjeet Singh (DIN: 08592748) 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 15th November 2019, with effect from

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15th November, 2019. In accordance with provisions of section 161 of the Companies Act, 2013 and applicable SEBI (LODR) Regulation, 2015, he will hold office upto the date of the Annual General Meeting of the Company.

Mr. Manjeet Singh 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 is considering the regularization of appointment of Mr. Manjeet Singh (DIN: 08592748) from Additional Independent Director to Independent Director of the Company for a period of five years w.e.f 30th September, 2020.

The Company has also received a declaration from Mr. Manjeet Singh declaring that he meets the criteria of independence as provided under Section 146(9) of the Companies Act, 2013.

In the opinion of the Board, Mr. Manjeet Singh 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 SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

The Board places the above resolution before the Members for their approval as being the Ordinary Resolution.

A brief profile of the Directors to be 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	Sh. Manjit Singh
Date of Birth	16/10/1962
Date of Appointment	15/11/2019
Qualification	Masters in Engineering
Expertise in Specific Area	Business Experience of More then 21 Yrs.
Directorship in other Companies	Nil
Chairman/Member of committees of other Companies	Nil
Shareholding in the Company	Nil

Item No. 7:

Mr. Dharam Chand (DIN: 08592773) 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 15th November 2019, with effect from 15th November, 2019. In accordance with provisions of section 161 of the Companies Act, 2013 and applicable SEBI (LODR) Regulation, 2015, he will hold office upto the date of the Annual General Meeting of the Company.

Mr. Dharam Chand 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 is considering the regularization of appointment of Mr. Dharam Chand (DIN: 08592773) from Additional Independent Director to Independent Director of the Company for a period of five years w.e.f 30th September, 2020.

The Company has also received a declaration from Mr. Dharam Chand declaring that he meets the criteria of independence as provided under Section 146(9) of the Companies Act, 2013

In the opinion of the Board, Mr. Dharam Chand 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 SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

GARG FURNACE LIMITED

The Board places the above resolution before the Members for their approval as being the Ordinary Resolution.

A brief profile of the Directors to be 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	Sh. Dharam Chand
Date of Birth	23/05/1957
Date of Appointment	15/11/2019
Qualification	Masters in Engineering
Expertise in Specific Area	Business Experience of More then 25 Yrs.
Directorship in other Companies	Nil
Chairman/Member of committees of other Companies	Nil
Shareholding in the Company	Nil

For and on behalf of the Board

SD/-

Place: LUDHIANA
Date: 02/09/2020

Devinder Garg
Chairman
DIN :01665466

GARG FURNACE LIMITED

DIRECTORS' REPORT

The Members of
Garg Furnace Limited

The Directors of your company have pleasure in presenting the 47th Annual Report on the affair of the company together with the Audited Accounts for the year ending 31st March, 2020.

FINANCIAL RESULTS

(Rupees in Lacs)

	2019-20	2018-19
Operating Income	9852.22	11183.05
Profit before depreciation, Interest & tax	(489.48)	(431.00)
Interest & Financial Expenses	112.19	67.74
Profit before depreciation & tax	(601.67)	(498.74)
Depreciation	131.66	126.73
Profit before tax & Exceptional items	(733.33)	(625.47)
Exceptional Items	1091.61	1137.67
Profit before tax	358.28	512.20
Provision for tax -Current Tax	0.00	0.00
-tax related to earlier years	0.00	(1.65)
-Deferred Tax Asset	0.00	0.00
Less : Mat Credit Entitlement	0.00	0.00
Profit after Tax	358.28	510.55
Prior year Tax adjustments / Depreciation to Reverse as per Schedule – II	0.00	0.00
Re-measurement of define benefit liability	27.59	(1.06)
Balance brought forward	<u>-1953.01</u>	<u>-2462.50</u>
APPROPRIATIONS		
Transfer to General Reserve	0.00	0.00
Balance carried over to Balance Sheet	385.87	509.49

DIVIDEND

The Board of Directors does not recommend payment of dividend for the year under review.

SHARE CAPITAL

There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

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

EXTRACT OF ANNUAL RETURN

The extract of annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013, in the prescribed Form MGT-9 is annexed to this Report.

NUMBER OF MEETINGS OF THE BOARD

There were 6 meetings of the Board held during the year **30/05/2019, 14/08/2019, 02/09/2019, 15/11/2019, 07/02/2020 and 14/02/2020** detailed information is given in the Corporate Governance Report, annexed hereto as part of Board Report.

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 -

- a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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 safeguarding 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

The independent directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178

Information regarding Directors' Remuneration Policy and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 are provided in the Corporate Governance Report.

GARG FURNACE LIMITED

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Information regarding loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are detailed in the Financial Statements.

RELATED PARTY TRANSACTIONS

There are related party transactions (RPTs) entered into by the Company during the financial year, which attracted the provisions of section 188 of Companies Act, 2013. There being 'material' related party transactions as defined under regulation as applicable of SEBI (LO&DR) Regulations 2016, there are details to be disclosed in Form AOC-2 in that regard.

During the year 2019-20, pursuant to section 177 of the Companies Act, 2013 regulation as applicable of SEBI (LO&DR) Regulations 2016, all RPTs were placed before Audit Committee for its prior/omnibus approval as well as shareholders' approval has been taken in this regard.

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 and forms part of this report.

RISK MANAGEMENT POLICY

Information on the development and implementation of a Risk Management Policy for the Company including identification therein of elements of risk which in the opinion of the Board may threaten the existence of the Company is given in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

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

FORMAL ANNUAL EVALUATION OF THE RFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS

Information on the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors is given in the Corporate Governance Report.

SUBSIDIARIES AND JOINT VENTURE

Company has no subsidiary, associate and Company in Joint Venture

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- a. In light of the provisions of the Companies Act, 2013, **Mr. DEVINDER GARG (DIN: 01665456)** Managing Director of the Company, retires from the Board by rotation this year and being eligible, offers himself for re-appointment. The
- b.

GARG FURNACE LIMITED

information as required to be disclosed as per regulation as applicable of SEBI (LO&DR) Regulations 2016 in case of re-appointment of the director is provided in the Notice of the ensuing annual general meeting.

- c. **Mr. Manjeet Singh (DIN: 08592748)** 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 15th November 2019, with effect from 15th November, 2019. In accordance with provisions of section 161 of the Companies Act, 2013 and applicable SEBI (LODR) Regulation, 2015, he will hold office upto the date of the Annual General Meeting of the Company.

Mr. Manjeet Singh 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 is considering the regularization of appointment of Mr. Manjeet Singh (DIN: 08592748) from Additional Independent Director to Independent Director of the Company for a period of five years w.e.f 30th September, 2020.

The Company has also received a declaration from Mr. Manjeet Singh declaring that he meets the criteria of independence as provided under Section 146(9) of the Companies Act, 2013.

In the opinion of the Board, Mr. Manjeet Singh 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 SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

- d. **Mr. Dharam Chand (DIN: 08592773)** 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 15th November 2019, with effect from 15th November, 2019. In accordance with provisions of section 161 of the Companies Act, 2013 and applicable SEBI (LODR) Regulation, 2015, he will hold office upto the date of the Annual General Meeting of the Company.

Mr. Dharam Chand 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 is considering the regularization of appointment of Mr. Dharam Chand (DIN: 08592773) from Additional Independent Director to Independent Director of the Company for a period of five years w.e.f 30th September, 2020.

The Company has also received a declaration from Mr. Dharam Chand declaring that he meets the criteria of independence as provided under Section 146(9) of the Companies Act, 2013

In the opinion of the Board, Mr. Dharam Chand 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 SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

- e. During the year under review, Mr. Pawan Kumar tendered his resignation as the Independent Director of the Company with effect from the close of business hours on November 15, 2019. The Board places on record its appreciation for his invaluable contribution and guidance.
- f. During the year under review, Mrs. Chandni Jain was appointed as Whole Time Company Secretary of the company w.e.f. August 02, 2019

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, however the accounts of the company were declared by the banks as Non-Performing Assets (NPA) and thereafter the bank has taken symbolic possession of assets of the company u/s 13(4) of THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 in 2018, the action of the bank has been challenged by the company before the Concerned Debt Recovery Tribunal (DRT). Further the management was under negotiation with the bank for one time settlement (OTS) of account. The bank has approved the One Time Settlement (OTS) proposal of the company vide its letter dated 13/08/2019, which has taken on record by board of directors in its meeting held on 14/08/2019, and authorised Managing Director to negotiate further and give acceptance of said OTS proposal on behalf of company. The company has accepted the said OTS proposal and Instalments in this regard are being deposited with Bank regularly.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal financial controls with reference to the financial statements were adequate and Operating effectively.

PRESENTATION OF FINANCIAL RESULTS

The financial results of the Company for the year ended **31 March, 2020** have been disclosed as per Schedule III to the Companies Act, 2013. The same are placed on the **Company's website**.

STATUTORY DISCLOSURES

As Company has no subsidiaries and joint ventures Company, the summary of the key financials of the Company's (Form AOC-1) is not applicable to comply.

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the prescribed particulars are set out in an annexure to the Directors' Report. As per provisions of section 136(1) of the said Act, these particulars will be made available to shareholder on request.

A Cash Flow Statement for the year 2019-20 is attached to the Balance Sheet.

Pursuant to the legislation 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013' introduced by the Government of India, which came into effect from 9 December 2013, the Company has framed a Policy on Prevention of Sexual Harassment at Workplace. There was no case reported during the year under review under the said Policy.

CORPORATE GOVERNANCE

However the company is exempted under regulation 15 (2) (a) of Securities and Exchange Board of India (listing obligations and Disclosure Requirements) Regulations, 2015, to comply with Regulation 17, 18, 19, 20, 21,22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V, as the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year, The company has put in place a system of Corporate Governance. A Separate report on Corporate Governance forming part of the Annual Report is annexed hereto.

GARG FURNACE LIMITED

Particulars of Employees

Information as per Section 197 of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report is NIL. However salary being paid to whole time directors is mentioned in Corporate Governance Report.

Annual Performance Evaluation by Board

Pursuant to the provisions of the Companies Act, 2013 and regulation as applicable of SEBI (LO&DR) Regulations 2016, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees.

Risk Management

The Board of Directors of your Company has adopted a policy on Risk Management of the Company. The broad terms of same provided at website of the Company.

Vigil Mechanism

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behavior and living Corporate Values. The Code of Conduct applies to all GFL People, including Directors, Officers, and all employees of the Company. Even your Company vendors and suppliers are also subject to these requirements as adherence to the Code is a prerequisite for conducting business with your Company.

Nomination & Remuneration Policy

The Board of Directors of your Company has, on recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for selection and appointment of Directors, Senior Management and their remuneration. The contents of the policy are stated in the Corporate Governance Report.

AUDITORS

STATUTORY AUDITOR

M/s R.K. Chadha & Co., Chartered Accountants, (Firm Registration No: 003513N), who were appointed as the Auditors of the company for a term of five years subject to ratification at Annual General Meeting every year has given a resignation dated 17th July, 2020. And in order to fill the casual vacancy the based on recommendation of Audit Committee Board has appointed M/s Ashwani & Associates, Chartered Accountants, Ludhiana (Registration No. 000497N) to hold office till the ensuing Annual General Meeting.

Based on the eligibility under Section 141 of the Companies Act, 2013, as recommended by Audit Committee the Board of Directors recommend to Appoint M/s Ashwani & Associates, Chartered Accountants, Ludhiana (Registration No. 000497N) as the Statutory Auditors of the company for five to hold the office from the conclusion of this Annual General Meeting till the conclusion of 22nd Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the company in consultation with M/s Ashwani & Associates, Chartered Accountants, Ludhiana (Registration No. 000497N)

Reply to remarks in Statutory Audit Report

Emphasis of Matter

As mentioned in Emphasis of Matter in para a which are Self-explanatory, however in context with related parties transaction, company was constrained to do such transactions, because due to weak financial position in previous years the suppliers and buyers not shown interest to deal with the company directly, but company has taken all approvals in this regards as per applicable laws.

GARG FURNACE LIMITED

Basis for Qualified Opinion

- i. Because of huge losses suffered during last two financial years the organization structure is also forced to become unshaped, but Management is looking for a competent person to appoint him as Internal auditor, even the candidates interviewed for such offices have not shown their interest to join the company due to weak financial position of the company, after offering good remunerations.
- ii. Provision in respect of impairment /loss on assets is not require as management has view that due to slump & cut throat competition in iron industries / market is temporally and hope will recover soon.
- iii. Management is in process to confirm/reconcile balances with the concerned parties.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Rules made thereunder the Company has appointed, Divyam Parbhakar & Associates, (membership number: 52667) Company Secretaries in Practice, to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2019-20 given by Divyam Parbhakar & Associates in the prescribed form MR-3 is annexed to this Report. The Secretarial Audit Report for the year under review given some observations.

Para wise replay of said observations are given hereunder

1. Because of huge losses suffered during last two financial years the organization structure is also forced to become unshaped, but Management is looking for a competent person to appoint him as Internal auditor and Company Secretary, even the candidates interviewed for such offices have not shown their interest to join the company due to weak financial position of the company, even after offering good remunerations.
2. The Company is in process of updating the same.
3. The Company has not received information from vendors/service providers regarding their status under Micro, small and Medium Enterprises Development Act,2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/ payable under this act has not been given.
4. Company has taken all approvals of members of the company/Audit Committee/board of Directors in respect of related parties transaction made during the year.
5. The company is in process of updating the same.
6. Self - Explanatory

COST AUDITOR

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 Meenu & Associates, (firm registration number: FRN: 100729) Cost Accountants, to audit the cost accounts of the Company for the financial year 2020-21 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.

INDUSTRIAL RELATIONS

The Industrial relations remained cordial through out the year and have resulted in sustained growth of the company.

GARG FURNACE LIMITED

ACKNOWLEDGEMENT

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

-SD-

**(DEVINDER GARG)
CHAIRMAN
DIN : 01665466**

**Place: LUDHIANA.
Date: 02/09/2020**

GARG FURNACE LIMITED

ANNEXURE TO BOARD 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, 2016.

I. 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 No.
- b) Additional Investment and proposals if any, being implemented for reduction of energy consumption.
- c) Impact of Measures taken at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods. : 5% Saving in Energy consumption.
- 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	<u>Current Year</u>	<u>Previous Year</u>
a) Purchased		
Units(KWH) (in Units)	16974795	24947160
Total amount	Rs. 117074493.00	Rs. 158191759.00
Rate per unit	Rs. 6.90	Rs. 6.55
b) Own Generation	<u>Current Year</u>	<u>Previous Year</u>
i) Through Diesel Generator Units (KWH)	31578	24079
Units per litre of diesel	3.90	3.90
Oil Cost/unit	Rs. 15.77	Rs. 16.96
ii) Through steam Turbine	Nil	Nil
2. Coal		
Quantity (Kgs)	1035485	694705
Total Amount	Rs. 10697479.50	Rs. 7534246.25
Average Rate per Kg	Rs. 10.33	Rs. 10.84

B. 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

	2019-2020	2018-2019
Total Foreign Exchange	0.00	0.00
Used (CIF Value of Imports)	0.00	Rs. 201872980.64

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) BUSINESS REVIEW:

STEEL INDUSTRY – GLOBAL PERSPECTIVE

The world economy has experienced subdued growth for another year in 2020. Underperformance in the world economy was observed across almost all regions and major economic groups. Most developed economies continued struggling against the lingering effects of the financial crisis, grappling in particular with the challenges of taking appropriate fiscal and monetary policy actions. A number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered new headwinds during 2020 on both international and domestic fronts.

INDIAN OUTLOOK

Slow growth has been observed in the demand for steel products in India primarily due to near stagnant growth in steel consuming sectors like Infrastructure, housing, auto and consumer goods.

Overall, the future outlook for the steel sector could be positive. The steel prices will be competitive as the demand is likely to pick up depending upon revival in economic growth and the government measures to ease infrastructure investment rules. The demand for value added products like bright bar, spheroidised annealing steel, normalized steel etc. will boost the demand in engineering and auto sector.

COMPANY'S BUSINESS STRATEGY

Due to increased capacities among steel mills and slowdown in auto sector and other steel consuming sectors this year will also be difficult. As a result of overall down scenario we face squeeze in margins. This situation is likely to continue at least for the first half of year.

Company's future outlook

Your Company, however, believes in the future of high quality products. As the country is witnessing the slowdown in growth, the steel industry has slowed down. This is having a serious impact on business sentiments for steel industry, as a result this year the volume will be under stress and also margins for the first half of the year.

B) PRODUCTION AND SALES REVIEW

During the year under review, the company has produced 22224.18 Metric tons of Steel products. The operating receipts of the company has reduced to Rs. 9852.22 Crores from Rs.11183.05 Crores in the previous year.

C) 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.

D) 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.

E) 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.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

The company GARG FURNACE LIMITED (GFL) believes in and practices good corporate Governance. The company's essential character is shaped by the very values of transparency, professionalism and accountability. The company continuously endeavours to improve on these aspects on an ongoing basis.

The commitment of (GFL) to the highest standards of good corporate governance practices pursuant to Regulation as applicable of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016 (herein after mentioned in regulation as applicable of SEBI(LO&DR) Regulations 2016" Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust to the working of the GFL maintains the same tradition and commitment.

This Report, therefore states compliance as per requirements of Companies Act, 2013, regulation as applicable of SEBI (LO&DR) Regulations 2016.

Given below are the Company's corporate governance policies and practices for 2019-20. As will be seen, GFL's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements in accordance with the provisions of regulation as applicable of SEBI (LO&DR) Regulations 2016.

GARG FURNACE LIMITED

2. BOARD OF DIRECTORS

The Board of Directors consists of 4 directors. The composition and category of Directors as on 31/03/2020 are as follows:-

Category	Name of Directors
Promoter/Executive Directors	: Sh. Devinder Garg - Chairman & Managing
Woman Director	: Smt. Vaneera Garg - Non Executive Woman
Independent/Non-Executive Director's	: Sh. Manjeet Singh Sh. Dharam Chand Sh. Pawan Kumar (Resigned w.e.f. 15.11.2019)
Nominee/Institutional Directors	: Nil

Attendance of each director at the Board Meeting, last Annual General Meeting and number of other directorship and chairmanship/Membership of Committee of each Director in various companies.

Name of Director	Attendance Particulars		No. of other directorships and Committee membership/Chairman-		
	Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Sh.Davinder Garg	6	Present	None	1	None
Smt.Vaneera Garg	6	Present	None	2	1
Sh.Pawan Kumar (upto 15.11.2019)	4	Present	None	None	None
Sh. Manjeet Singh	3	Present	None	2	None
Sh. Dharam Chand	3	Present	None	1	2

NUMBER OF MEETINGS OF THE BOARD

During the year, 6 Board Meetings were held as against the minimum requirement of 6 meetings. The dates on which the meetings were held are: **30/05/2019, 14/08/2019, 02/09/2019, 15/11/2019, 07/02/2020 and 14/02/2020.**

NON-EXECUTIVE DIRECTORS' COMPENSATION

Company is not paying any remuneration to any Non Executive Director.

INFORMATION SUPPLIED TO THE BOARD

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to officers of the Company. In addition to items which are required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by Management to the Board of the Company is far ahead of the

GARG FURNACE LIMITED

list mandated under regulation as applicable of SEBI (LO&DR) Regulations 2016,

REVIEW OF LEGAL COMPLIANCE REPORTS

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

The company is exempted under regulation 15 (2) (a) of Securities and Exchange Board of India (listing obligations and Disclosure Requirements) Regulations, 2015, to comply with Regulation 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V, as the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

So, Requirements & compliances in respect of Code of conduct, Maximum tenure of independent directors, Formal letter of appointment to independent directors, Performance Evaluation, Remuneration Policy, Board diversity policy, Familiarization Program me are made as per applicable provisions of the Companies Act 2013 and Rules made thereunder.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

Pursuant to section 177(9) of Companies Act, 2013 and regulation as applicable of SEBI (LO&DR) Regulations 2016, the Board of Directors formulate a Whistle Blower Policy.

The Whistle Blower Policy/Vigil mechanism provides a mechanism for the director/employee to report violations, without fear of victimisation of any unethical behavior, suspected or actual fraud, violation of the Code of Conduct etc. which are detrimental to the organisation's interest.

The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice.

The directors in all cases and employees in appropriate or exceptional cases will have direct access to the Chairman of the Audit Committee. The said Policy is placed on the Company's website

SUBSIDIARY COMPANIES

Company has no subsidiary Company.

RELATED PARTY TRANSACTIONS

All related party transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and did attract provisions of section 188 of Companies Act, 2013 and were also are material RPTs under regulation as applicable of SEBI (LO&DR) Regulations 2016 and approval of shareholders has been received in this regard.

During the year 2019-20, as required under section 177 of the Companies Act, 2013 and regulation as applicable of SEBI (LO&DR) Regulations 2016, all RPTs were placed before Audit Committee for prior approval, if required.

A summary statement of transactions with related parties was placed periodically before the Audit Committee during the year.

A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in this Annual Report.

GARG FURNACE LIMITED

There were materials transactions entered into with related parties, during the period under review, which may have had no any potential conflict with the interests of the Company.

DISCLOSURES

Suitable disclosures have been made in the financial statements, together with the Management's explanation in the event of any treatment being different from that prescribed in Accounting Standards

AUDIT COMMITTEE

The Audit Committee comprises of independent/ Non Executive Directors viz Sh.Dharam Chand, Sh. Manjeet Singh & Smt. Vaneera Garg, the terms of reference of the Audit Committee are as contained in Corporate Governance Clause of the listing agreement. The Audit Committee met 5 times during the year. The dates on which meeting were held are **30/05/2019, 14/08/2019, 01/09/2019, 15/11/2019 and 14/02/2020**, and attended by members as under:

Name of Director	Attendance Particulars
	Audit Committee Meetings
Sh.Pawan Kumar	3
Sh. Dharam Chand	2
Sh. Manjeet Singh	2
Smt.Vaneera Garg	5

REMUNERATION COMMITTEE

The Board of the company had constituted a Remuneration Committee comprising of 3 independent/ Non Executive Directors viz Sh. Dharam Chand, Sh. Manjeet Singh & Smt. Vaneera Garg.

The remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Wholetime Directors based on performance.

The remuneration policy is directed towards rewarding performance based on review of achievement on a periodic basis.

Two meetings were held on 15/11/2019 & 14/02/2020 during the year and all the members of the Committee attend the meetings.

Detail of Remuneration paid to the Whole time Directors during the financial year is as given below:-

a) Executive Directors

Name	Designation	Salary	Total
-----	-----	-----	-----
Sh. Devinder Garg	Chairman	1593090	1593090

Non-Executive Directors except above have not been paid any remuneration/fees during the year.

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REMUNERATION OF DIRECTORS

Pecuniary transactions with non-executive directors

During the year under review, there were no pecuniary transactions with any non-executive director of the Company. The register of contracts is maintained by the Company under section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

MANAGING DIRECTOR

During the year under review, the Company has paid remuneration to Managing Director and other whole time directors of the Company as provided above.

REMUNERATION TO DIRECTORS

Details of remuneration paid/payable to directors during 2019-20 are provided above.

SHAREHOLDING OF DIRECTORS AS ON 31/03/2020

#	Name	Designation	No of shares held	%age
1	Sh. Devinder Garg	Chairman & Managing Director	1054290	26.30
2	Smt. Vaneera Garg	Non-Executive Director	1067510	26.63

INDEPENDENT DIRECTORS' MEETING

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25 as applicable of SEBI (LO&DR) Regulations 2016, the Independent Directors held their separate meeting on 15/02/2020, without the attendance of non-independent directors and members of management, inter alia, to discuss the following:

- i. Review the performance of non-independent directors and the Board as a whole;
- ii. Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
- iii. Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All independent directors were present at the meeting, deliberated on the above and expressed their satisfaction.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

This is given as separate chapter in the Annual Report.

DISCLOSURE OF MATERIAL TRANSACTIONS

Under regulation as applicable of SEBI (LO&DR) Regulations 2016, Senior Management has made periodical disclosures to the

GARG FURNACE LIMITED

Board relating to all material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.
The same was nil.

COMPLIANCES REGARDING INSIDER TRADING

The Company adopted a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, as amended as applicable.

Regulation 8 of the newly introduced Regulations, required the Company to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS), which the Company needs to follow in order to adhere to each of the principles set out in Schedule A to the said Regulations.

Further, regulation 9(1) of these Regulations required a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.

Accordingly, the Board of Directors of the company has already approved and adopted:

- a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- b) Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Board of the Company has re-constituted a Shareholder's/Investor's Grievances Committee comprising of Smt. Vaneera Garg (Chairperson), Sh. Dharam Chand and Sh. Devinder Garg. The Committee inter alia approves issue of duplicate certificates and overseas and review all matters connected with Securities transfer. The committee also looks into redressal of Shareholder's complaints like transfer of shares, non receipt of Balance Sheet, Non receipt of declared dividends etc. The Board of Directors has delegated the power of approving transfer of securities to the Managing Director.

The total number of letters/complaints received and replied to the satisfaction of shareholders during the year ended 31st March, 2020 was NIL. Outstanding letters/complaints as on 31st March, 2020 were Nil. No request for transfer/dematerialization was pending for approval as on 31st March, 2020.

COMMUNICATION TO SHAREHOLDERS

Section 20 and 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/ shareholders' email addresses. The Company, during the year under review sent documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request.

All financial and other vital official news releases are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

The Company also files the following information, statements and reports on the Company website as specified by SEBI:

1. Full version of the annual report including the balance sheet, statement of profit and loss, directors' report, corporate governance report, auditors' report, cash flow statements, half-yearly financial statements and quarterly financial statements.
2. Shareholding pattern.

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INFORMATION ON GENERAL BODY MEETINGS AND DETAILS OF SPECIAL RESOLUTION(S) PASSED

Detail of last three Annual General Meetings

Meeting	Day	Date	Time	Venue	No. of Special Resolutions
44 th AGM	Friday	29.09.2017	10.30 AM	Registered Office at Kanganwal Road, VPO Jugiana, GT Road, Ludhiana	0
45 th AGM	Saturday	29.09.2018	10.30 AM	Registered Office at Kanganwal Road, VPO Jugiana, GT Road, Ludhiana	1
46 th AGM	Monday	30.09.2019	10.30 AM	Registered Office at Kanganwal Road, VPO Jugiana, GT Road, Ludhiana	0

DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY

There were various non-compliances made by the Company of legal requirements and the BSE has imposed a penalty of Rs. 377,600/- during the FY 2019-20. The company has fully paid the amount and duly complied with the legal requirements as per SEBI Law or any other law for the time being in force other than those mentioned in the Secretarial Audit Report and Independent Audit Report of the Company for the FY 2019-20.

CEO/CFO CERTIFICATION

The company is exempted under regulation 15 (2) (a) of Securities and Exchange Board of India (listing obligations and Disclosure Requirements) Regulations, 2015, to comply with **para C, D (requirement to take certificate from Managing director) and E of Schedule V**, as the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

REPORT ON CORPORATE GOVERNANCE

This chapter, read together with the information given in the Directors' Report and the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on corporate governance during 2019-20. The Company has been regularly forwarding the quarterly compliance report to the stock exchanges as required under regulation applicable of SEBI (LO&DR) Regulations 2016.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The company is exempted under regulation 15 (2) (a) of Securities and Exchange Board of India (listing obligations and Disclosure Requirements) Regulations, 2015, to comply with **para C, D and E (requirement to take certificate from Auditors of the company) of Schedule V**, as the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

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COMPLIANCE OF MANDATORY AND NON-MANDATORY REQUIREMENTS UNDER regulation applicable of SEBI (LO&DR) Regulations 2016.

Mandatory

The Company has complied with all the mandatory requirements of as per regulation applicable of SEBI (LO&DR) Regulations 2016. However The company is exempted under regulation 15 (2) (a) of Securities and Exchange Board of India (listing obligations and Disclosure Requirements) Regulations, 2015, to comply with Regulation 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V, as the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

DISCLOSURES

During the year, there was no material/significant transaction with the directors or the management, or relatives etc that have any Potential conflict with the interest of the company at large.

There were various non-compliances made by the Company of legal requirements and the BSE has imposed a penalty of Rs. 377,600/- during the FY 2019-20. The company has fully paid the amount and duly complied with the legal requirements as per SEBI Law or any other law for the time being in force other than those mentioned in the Secretarial Audit Report and Independent Audit Report of the Company for the FY 2019-20.

The management has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and that it has provided protection to the "Whistle Blower" from unfair termination and other unfair or prejudicial employment practices.

MEANS OF COMMUNICATION

The company communicates with the shareholders at large through its Annual Reports, Publication of financial results and by filing of various reports and returns with the Statutory Bodies like Stock Exchange and the Registrar of Companies. The quarterly results are published in the English Daily "Financial World" & Punjabi daily "Desh Sewak".

The management discussion & Analysis forms part of Annual Report, which is mailed to the shareholders of the company.

GENERAL SHAREHOLDERS INFORMATION

- i) 47th Annual General Meeting
 - Date : Monday, 30th September, 2020.
 - Time : 10.30 A.M
 - Venue : Registered Office:
Kanganwal Road, VPO Jugiana, G.T.Road, Ludhiana.

- ii) Financial Calendar 2020-21 (Tentative)
 - First Quarter Results : July, 2020.
 - Second Quarter Results : October, 2020.
 - Third Quarter Results : January, 2020.
 - Fourth Quarter Results : April, 2021.

- iii) Date of Book Closure : 24.09.2020 to 30.09.2020

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(Both days inclusive)

iv) Dividend Payment due : Within 30 days after declaration.

v) Listing :

The Securities of the Company are listed on the following Stock Exchanges:-

1. The Ludhiana Stock Exchange Association Limited (LSE),
Feroze Gandhi Market,
Ludhiana- 141 001
2. The Delhi Stock Exchange Association Limited (DSE),
DSE House, 3/1 Asaf Ali Road,
New Delhi- 110 002
3. The Stock Exchange Mumbai (BSE),
1st Floor, New Trading Ring,
Rotunda Building, P.J.Towers,
Dalal Street, Fort, Mumbai- 400 001

vi) Stock Code:

1. The Ludhiana Stock Exchange Association Limited (LSE), -
2. The Delhi Stock Exchange Association Limited (DSE), 6819
3. The Stock Exchange Mumbai (BSE), 530615

vii) Stock Market price data for the year 2019-20

BSE PRICES

Month	Open Rs.	High Rs.	Low Rs.	Close Rs.	No. of shares
Apr 19	13.19	13.19	13.19	13.19	0
May 19	13.19	13.19	13.19	13.19	0
Jun 19	13.84	13.84	12.54	12.55	302
Jul 19	12.55	12.55	12.55	12.55	1
Aug 19	12.55	12.55	11.93	11.93	1
Sep 19	11.93	12.52	11.90	11.90	50
Oct 19	11.90	12.49	11.90	12.49	55
Nov 19	12.49	12.49	12.49	12.49	0
Dec 19	12.49	12.49	12.49	12.49	0
Jan 20	12.49	12.49	12.49	12.49	342
Feb 20	12.49	12.49	12.49	12.49	0
Mar 20	13.11	13.11	13.11	13.11	1

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viii) Register & Transfer Agent

The work related to share transfer registry in terms of both physical and electronic mode is being dealt at Single Point with M/s Skyline Financial Services Private Limited, New Delhi as per address given below:-

M/s Skyline Financial Services Pvt Ltd,
246,1st Floor,Sant Nagar,
East of Kailash, NEW DELHI- 110064
TEL: 26292682, 26292683
FAX: 26292681
Email-admin@skylinerta.com

ix) Share Transfer System

The company's shares are traded in the Stock Exchanges compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders with the stipulated time.

x) Distribution of Shareholding as on 31st March, 2020

Nominal Value of Each Share: Rs. 10.00

Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	1260	82.41	2192400	5.47
5001 To 10,000	128	8.37	1056880	2.64
10001 To 20,000	60	3.92	926200	2.31
20001 To 30,000	31	2.03	826970	2.06
30001 To 40,000	13	0.85	448280	1.12
40001 To 50,000	10	0.65	451030	1.13
50001 To 1,00,000	13	0.85	968950	2.42
1,00,000 and Above	14	0.92	33216290	82.86
Total	1529	100	40087000	100

xi) Dematerialization of shares

As on 31st March, 2020, 64.58 % of the Equity Share Capital comprising 25, 88, 825 Equity Shares was dematerialized.

xii) Plant Locations

Kanganwal Road, VPO Jugiana, G.T.Road, Ludhiana- 141 120

xiii) Address for Correspondence:-

Regd. Office : Kanganwal Road, VPO Jugiana,
G.T.Road, Ludhiana- 141 120
Telephone : 0161- 4692400(30 lines)

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Fax : 0161- 2512285
Email : www.gargfurnace.com

NOMINATION

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of the registered shareholder(s). The prescribed nomination form (SH-13) will be sent by the share transfer agent of the Company upon such request and is also available on the Company's website www.gargfurnace.com. Nomination facility for shares held in electronic form is also available with depository participant as per the bye-laws and business rules applicable to NSDL and CDSL.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to section 108 of the Companies Act, 2013 and the Rules made thereunder, every listed company is required to provide its members facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with CDSL, the authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of annual general meeting, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014 as amended, the Company shall also be making arrangements to provide for e-voting facility at the venue of the annual general meeting.

Shareholders who are attending the meeting and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the amended Rules shall be **23rd September, 2020** and the remote e-voting shall be open for a period of three (3) days, from **Saturday, 26th September, 2020 (9.00AM IST)** and ends on **Tuesday, 29th September, 2020**

The Board has appointed Divyam Parbhakar & Associates, Practicing Company Secretary as scrutinizer for the e-voting process. Detailed procedure is given in the Notice of the 47th annual general meeting and is also placed on the website of the Company. Shareholders may get in touch with the Compliance Officer for further assistance.

Extract of Annual Return (Form MGT-9)

As on the financial year ended on 31 March 2019[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014] is available at web link: www.gargfurnace.com

Declaration by Chief Executive Officer (CEO)

I Devinder Garg, chairman cum Managing Director of Garg Furnace Ltd. hereby declare that all the Board members and Senior Management have affirmed for the year ended 31 March 2020 compliance with the Code of Conduct of the Company.

Sd/-

Devinder Garg
Managing Director
Ludhiana: 02/09/2020

GARG FURNACE LIMITED

Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

We, Devinder Garg, Managing Director and Gurmeet Singh, Chief Financial Officer of Garg Furnace Limited, certify to the Board:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March 2020 and that to the best of our knowledge and belief;
 - These statements do not contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and
 - These statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations;
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. That we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies; and
4. That we have informed the auditors and the Audit Committee of:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Devinder Garg
Managing Garg

Sd/-
Gurmeet Singh
CFO

Place: Ludhiana
Date: 02/09/2020

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EXTRACT OF ANNUAL RETURN (FORM MGT-9)

As on the financial year ended on 31 March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. Registration and other details

Corporate identification number (CIN)	L99999PB1973PLC003385
Registration date	27/12/1973
Name of the Company	Garg Furnace Limited
Category/sub-category of the Company	Company Limited by Shares / Indian Non Govt Company
Address of the registered office and contact details	Kanganwal Road, VPO Jugiana, G.T. Road, Ludhiana-141120. Telephone : 0161-4692400 (30 lines) Fax : 0161-2512285 Email : gargfurnace@yahoo.com Web Site : www.gargfurnace.com
Whether listed Company	YES
Name, address and contact details of Registrar and Transfer Agent	M/s Skyline Financial Services Pvt Ltd, 246, 1st Floor, Sant Nagar, East of Kailash, NEW DELHI- 110064. TEL: 26292682, 26292683 FAX: 26292681 Email-admin@skylinerta.com

II. Principal business activities of the Company

Sr. No.	Name and description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Manufacturing & trading of Iron & Steel	2410	100.00

III. Particulars of holding, subsidiary and associate Companies

Sr. % of shares held as on 31 March 2017 Applicable section	No Name of the company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held as on 31 March 2018	Applicable section
Nil	Nil	Nil	Nil	Nil	Nil

IV. Shareholding pattern (equity share capital breakup as percentage of total equity)

GARG FURNACE LIMITED

I) Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year as on 1 April 2020				No. of shares held at the end of the year as on 31 March 2019				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) India									
a) Individual/HUF	1321441	1253460	2574901	64.23	1321441	1253460	2574901	64.23	0.00
b) Central government	0	0	0	0.00	0	0	0	0.00	0.00
c) State government (s)									
d) Bodies corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/Financial institutions	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other....	0	0.00	0	0.00	0	0.00	0	0.00	0.00
Sub-total (A) (1):-	1321441	1253460	2574901	64.23	1321441	1253460	2574901	64.23	0.00
(2) Foreign	0	0	0	0.00	0	0	0	0.00	0.00
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Financial institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1321441	1253460	2574901	64.23	1321441	1253460	2574901	64.23	0.00
B. Public Shareholding									
1. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
a) Mutual funds	0	200	200	0.00	0	200	200	0.00	
b) Banks/Financial institutions	0	0	0	0.00	0	0	0	0.00	0.00
1. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
a) Mutual funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/Financial institutions	0	0	0	0.00	0	0	0	0.00	0.00
c) Central government	0	0	0	0.00	0	0	0	0.00	0.00
d) State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture capital funds	0	0	0	0.00	0	0	0	0.00	0.00

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f) Insurance companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign institutional investors	0	0	0	0.00	0	0	0	0.00	0.06
h) Foreign venture capital funds	0	0	0	0.00	0	0	0	0.00	0.00
l) Anyothers	0	0	0	0.00	0	0	0	0.00	0.00
l Foreign portfolio investors	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(B)(1):	200	0	200	0.00	0	200	200	0.00	0.00
2. Non-Institutions									
a) Bodies corporate	584265	7800	592065	14.77	579629	7800	587429	14.65	-0.12
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
l) Individual shareholders holding nominal share capital upto B 1 lakh	522000	138315	660315	16.47	526837	137515	664352	16.57	0.10
ii) Individual shareholders holding nominal share capital in excess of B 1 lakh	130297	0.00	130297	3.25	130297	0.00	130297	3.25	0.00
c) Anyothers-HUF	27920	0.00	27920	0.70	28519	0.00	28519	0.71	0.01
l Foreign nationals	0	0	0	0.00	0	0	0	0.00	0.00
l Non-resident Indians	2102	20900	23002	0.57	2102	20900	23002	0.57	0.00
Foreign bodies-DR	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Clearing members	0	0	0	0.00	0	0	0	0.00	
Sub-total(B)(2):-	1266584	167015	1433599	35.76	1267384	166215	1433599	35.76	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	1267384	166415	1433799	35.77	1267384	166415	1433799	35.77	0.00
C. Shares held by custodian for GDRs	0	0.00	0	0.00	0	0.00	0	0.00	0.00
Grand total (A+B+C)	1267384	166415	1433799	35.77	1267384	166415	1433799	35.77	0.00

ii) Shareholding of promoters

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Category of shareholders	No. of shares held at the beginning of the year as on 1 April 2020				No. of shares held at the end of the year as on 31 March 2019				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
Vaneera Garg	1067510	26.63	nil	1067510	26.63	nil	0.00		
Davinder Garg	1054290	26.3	nil	1054290	26.3	nil	0.00		
Toshak Garg	216951	5.41	nil	216951	5.41	nil	0.00		
Daksh Garg	210550	5.25	nil	210550	5.25	nil	0.00		
Davinder Garg & Sons	20000	0.5	nil	20000	0.5	nil	0.00		
Devinder Garg Karta	3600	0.09	nil	3600	0.09	nil	0.00		
Subhash Chandra Gupta	1000	0.02	nil	1000	0.02	nil	0.00		
Amarpreet Singh Thukral	1000	0.02	nil	1000	0.02	nil	0.00		

iii) Change in promoters' shareholding

Sr. No.	Name of the promoters	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	& of total shares of the Company	No. of shares	% of total shares of the Company
1	Nil	Nil	Nil	Nil	Nil

iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs)

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year		No. of shares held at the end of the year as on 31 March 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shiv Narayan Investments Pvt Ltd	535000	13.35	0	0.00	535000	13.35
2	Hitesh Ramji Javeri	65197	1.63	97	0.00	65197	1.63
3	Harsha Hitesh Javeri	65100	1.62	503	0.00	65100	1.62

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4	SohagbhaiVinaychandraNanavati	15900	0.40	300	0.00	15900	0.40
5	HimachalYarn Limited	15493	0.40	0	0.00	15493	0.40
6	Bhadresh Ramniklal Shah	15379	0.39	0	0.00	15379	0.39
7	Sujatha Mallu	15200	0.38	0	0.00	15200	0.38
8	Dinesh Shankar Khatu	13800	0.34	0	0.00	13800	0.34
9	Noratanmal Choraria	11309	0.28	0	0.00	11309	0.28
10	Pravin Shivhare	9600	0.24	0	0.00	9600	0.24

v) Shareholding of directors and key managerial personnel

Sr. No.	Name of the directors/key managerial personnel (KMP)	Shareholding at the beginning of the year		Cumulative shareholding during the year		No. of shares held at the end of the year as on 31 March 2016	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Davinder Garg	1054290	26.30	NIL	NIL	1054290	26.30
2	Vaneera Garg	1067510	26.63	NIL	NIL	1067510	26.63

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	75699699.00	55594610.46	0.00	131294309.46
ii) Interest due but not paid	0.00	343133	0.00	343133
iii) Interest accrued but not	0.00	0.00	0.00	0.00
Total (i+ii+iii)	75699699.00	55937743.46	0.00	131637442.46
Change in Indebtedness during the financial year				
ÿ Addition	0.00	34814178.52	0.00	34814178.52
ÿ Reduction	75699699.00	0.00	0.00	(75699699.00)
Net Change	(75699699.00)	34814178.52	0.00	(40885520.48)

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Indebtedness at the end of the financial year				
I) Principal Amount	0.00	90478060.98	0.00	90478060.98
ii) Interest due but not paid	0.00	273861.00	0.00	273861.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	90751921.98	0.00	90751921.98

VI. Remuneration of directors and key managerial personnel

A. Remuneration to managing director(MD), whole-time directors(WTD) and/or Manager

Sr. Particulars of No. remuneration	Sh. Devinder Garg Chairman & Managing Director			Total amount (in INR)
1 Gross salary				
(a) Salary as per provisions contained under section 17(1) of the Income-tax Act, 1961	15,93,090.00	0.00	0.00	15,93,090.00
(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	0.00	0.00	0.00	0.00
(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0.00	0.00	0.00	0.00
2 Stock options	0.00	0.00	0.00	0.00
3 Sweat equity	0.00	0.00	0.00	0.00
4 Commission as % of profit others (thrice the annual basic salary)	0.00	0.00	0.00	0.00
5 Others - Contribution to provident fund etc	0.00	0.00	0.00	0.00
Total (A)	15,93,090.00			15,93,090.00
Ceiling as per the Act#	#	#	#	#

#Remuneration payable by companies having no profit or inadequate profit

Notes: Salary and perquisites include all elements of remuneration i.e. salary, allowances and benefits. No bonus, pension and performance linked incentive is paid to any of the directors. The Company has not issued any stock options to any of the directors.

The term of Managing Director does not exceed five years. Appointment of Managing Director is governed by a service contract for a period of 5 years and notice period is of 90 days and is in compliance with the applicable provisions of the Companies Act, 2013.

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B. Remuneration to other directors (in INR)

Particulars of remuneration	Name of directors	Total amount
1. Independent Directors		
i) Fee for attending board/ committee meetings	0.00	0.00
ii) Commission	0.00	0.00
ii) Others	0.00	0.00
Total (1)		

2. Non-Independent		
Non-Executive Directors		
i) Fee for attending board/ committee meetings	0.00	0.00
ii) Commission	0.00	0.00
iii) Others	0.00	0.00
Total (2)	0.00	0.00
Total (B)=(1+2)	0.00	0.00
Total Managerial Remuneration (A+B)	0.00	0.00
Overall Ceiling as per the Act	0.00	0.00

Note: Overall ceiling as per Act is not applicable to sitting fees paid to non-executive directors.

C. Remuneration to key managerial personnel other than MD/WTD/Manager

Key managerial personnel		Company Secretary	Chief Financial Officer (CFO)	Total
Sr. No.	Particulars of remuneration			
1	Gross salary	102,731	3,74,000.00	3,74,000.00
	(a) Salary as per provisions contained under section 17(1) of the Income-tax Act, 1961	0.00	0.00	0.00
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0.00	0.00	0.00
2	Stock options	0.00	0.00	0.00
3	Sweat equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00
	- others	0.00	0.00	0.00

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5	Others - Contribution to provident fund etc.	0.00	0.00	0.00
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VII. Penalties/punishment/compounding of offences:

During the year 2019-20, there were no penalties / punishment / compounding of offences under Companies Act, 2013.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY	Nil	Nil	Nil	Nil	Nil
Penalty					
Punishment					
Compounding					
B. DIRECTORS	Nil	Nil	Nil	Nil	Nil
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	Nil	Nil	Nil	Nil	Nil
Penalty					
Punishment					
Compounding					

Place: LUDHIANA
Date : 02.09.2020

SD/-
DEVINDER GARG
CHAIRMAN
DIN : 01665456

GARG FURNACE LIMITED

Form AOC-2

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 arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions at arm's length basis

S N	Particulars	Details
A	Name(s) of the related party and nature of relationship	Vaneera Industries Limited, related through director
B	Nature of contracts/arrangements/transactions	Purchase of Goods
C	Duration of the contracts/arrangements/transactions	Running arrangement
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 41,21,29,022/-
E	Date(s) of approval by the Board, if any	30.06.2020
F	Amount paid as advances, if any:	-
G	Form shall be signed by the persons who have signed the Board's report.	

2. Details of material contracts or arrangement or transactions at arm's length basis

S N	Particulars	Details
A	Name(s) of the related party and nature of relationship	Vaneera Industries Limited, related through director
B	Nature of contracts/arrangements/transactions	Sale of Goods
C	Duration of the contracts/arrangements/transactions	Running arrangement
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs. 31,45,20,336/-
E	Date(s) of approval by the Board, if any	30.06.2020
F	Amount paid as advances, if any:	-
G	Form shall be signed by the persons who have signed the Board's report.	

3. Details of material contracts or arrangement or transactions at arm's length basis

S N	Particulars	Details
A	Name(s) of the related party and nature of relationship	Vaneera Industries Limited, related through director
B	Nature of contracts/arrangements/transactions	Rent Received

GARG FURNACE LIMITED

C	Duration of the contracts/arrangements/transactions	Running arrangement
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs.180,000/-
E	Date(s) of approval by the Board, if any	30.06.2020
F	Amount paid as advances, if any:	-
G	Form shall be signed by the persons who have signed the Board's report.	

For and on behalf of the Board

SD/-

Devinder Garg
Chairman
DIN :01665466

Place: LUDHIANA
Date: 02/09/2020

GARG FURNACE LIMITED

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9
of the Companies (Appointment and Remuneration Personnel) Rules, 2014
and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members,
Garg Furnace Limited
CIN: L99999PB1973PLC003385
Kanganwal Road, Ludhiana, Punjab, 141120**

We 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 a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2020** 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Garg Furnace Limited** for the financial year ended on **31st March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') Viz:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

GARG FURNACE LIMITED

- c) The Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) 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;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We 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 Company.

All Notices/show cause notices received & cases filed under different laws are closed and all penalties imposed by Bombay Stock Exchange has been paid to adjudicating authorities.

The Company has identified the following Laws as specifically applicable to the Company.

- The Legal Metrology Act 2009.
- The Hazardous waste (Management and Handling) Rules 1989.
- The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act 2002)
- The Recovery of Debts due to Banks and Financial Institutions Act, 1993

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchanges
- iii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. Whereas in terms of the provisions of Section 138 of the Companies Act, 2013 read with rule 13 of The Companies (Accounts) Rules, 2014, the company was required to appoint an internal auditor, the Company could not comply with the same.
2. Whereas in terms of the provisions of the SEBI (LODR) Regulations, 2015, the company need to update the website of the company, but the company could not comply with the same.
3. Whereas in terms of MCA notification number S.O. 5622(E), dated the 2nd November, 2018 and 22nd January, 2019 the company need to disclose the amount unpaid to MSME suppliers exceeding 45 days, the company could not comply with the same.

GARG FURNACE LIMITED

4. Company has made material related parties transactions during the year under review, as it is a financial matter, we have no opinion whether these transactions are at arm length basis.
5. That all statutory registers required under the Companies Act, 2013 and the minute book of Board of Directors, Committees of the Board and that of Share holders have not been updated, Register of members and transfer register are being maintained by RTA and are updated.
6. Company has received notices under different regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for non-compliances, which have been replied by the company and various penalties imposed by Bombay Stock Exchange are paid by the company.

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 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.

This Report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this Report.

**For Divyam Parbhakar & Associates
Company Secretaries**

SD/-

**CS Divyam Parbhakar
Prop.
M. No. A52667
C.P. No. 19299
UDIN: A052667B000620190**

**Place: Ludhiana
Date: 26/08/2020**

GARG FURNACE LIMITED

Annexure-1

To,

**The Members,
Garg Furnace Limited**

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 of procedure on test check basis.
6. 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.

**For Divyam Parbhakar & Associates
Company Secretaries**

SD/-

**CS Divyam Parbhakar
Prop.
M. No. A52667
C.P. No. 19299**

**Place: Ludhiana
Date: 26/08/2020**

GARG FURNACE LIMITED

Detail pertaining to remuneration as required 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.

- a. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of Directors to whom salary paid	Salary paid -INR	Ratio of each Director to the median remuneration of the employee
SH.DEVINDER GARG, Chairman	15,93,090.00	NIL
No remuneration has paid to any Non Executive/Independent Directors	N/A	NIL

- b. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year: There is no increase in remuneration of any Director, Chief Financial Officer and Company Secretary in the financial year
- c. The percentage increase in the median remuneration of employees in the financial year is NIL
- d. There were 74 permanent employees on the rolls of the Company as on 31st March, 2020
- I. The average annual increase in the salaries of the employees, other than managerial personnel was 0%, whereas the average increase in the managerial remuneration was 0 % for the financial year.
- j. There was no employee receiving remuneration higher than the highest paid Director during the financial year.
- k. The Company affirms remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board
SD/-
Devinder Garg
Chairman
DIN : 01665456

Place: LUDHIANA
Date: 02/09/2020

GARG FURNACE LIMITED

INDEPENDENT AUDITORS' REPORT

To

The Members of GARG FURNACE LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Garg Furnace Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to explanations given to us subject to our comments in below paragraph, the aforesaid standalone financial statements give the information required by the company's 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the standalone 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 standalone 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 standalone financial statements under the provisions of the Act and 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 standalone financial statements.

- (i) The Company has not appointed Internal Auditor as required by sec. 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014.
- (ii) The management of the company has represented us that the recoverable amount of assets within the meaning of IND AS 36 'Impairment of Assets' is more than their carrying value and as such no amount needs to be recognized in the financial statements for impairment loss. In the absence of the workings of impairment having been prepared and made available to us for our review and considering the possible future uncertainties in the global economic conditions because of this pandemic relating to COVID-19, we are unable to comment on whether the company needs to make a provision in respect of impairment loss on such assets and the amount of such provision.
- (iii) The company has not arranged to make available the confirmations and/or reconciliations to verify the balances stated in the financial statements in respect of Trade Receivables Rs. 1132.86 lacs, Loans given Rs. 154.70 lacs, Advances to Suppliers Rs. 229.48 lacs and Trade payables Rs. 676.20 lacs.

GARG FURNACE LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>The One Time Settlement Scheme of Company was sanctioned and full & final payment has been done as a result of which the Company has recognized amount of ` 1091 lacs in Exceptional items against the waiver of loan.</p> <p>We consider this as Key audit Matter because of the significant amount which effect the results of the company. The company is having loss of ` 733.33 Lacs and after taking effect of the above transaction in Exceptional Item and the Company is having profit of `358.28 Lacs.</p>	<ul style="list-style-type: none"> • The OTS for ` 4500 lacs of the Company was sanctioned on 13/08/2018 and the Company had recognized proportionate amount of ` 1137 lacs in Exceptional items against the waiver of loan in FY 2018-19. Consequently, on the full payment of pending dues in the FY 2019-20 the Company has recognized Rs. 1091 lacs in Exceptional items against the waiver of loan. • We have obtained the copy of approval letter of OTS, and no dues Certificate given by Indian Bank, Management Representation Letter and Board Resolution passed to recognize the abovesaid amount. • Further as per Ind AS 109 "Financial Instruments", the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.
2.	<p>Related Party Transactions:</p> <p>The Company has entered into several transactions with related parties during the year 2019-20. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the financial statements; non-compliance with statutory regulations governing related party relationships such as the Companies Act 2013 and SEBI Regulations and the judgment involved in assessing whether transactions with related parties are undertaken at arm's length.</p> <p>See note 37 to the standalone financial statements</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> 1. We carried out an assessment of the key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard. 2. We carried out an assessment of compliance with the listing regulations and the regulations under the Companies Act, 2013, including checking of approvals/ scrutiny as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. In cases where the matter was subject to interpretation, we exercised judgement to rely on opinions provided by legal practitioners. 3. We considered the adequacy and appropriateness of the disclosures in the financial statements, relating to the related party transactions. 4. For transactions with related parties, we inspected relevant ledgers, other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties with reference to the various registers maintained by the Company statutorily. 5. We have tested on a sample basis, Management's assessment of related party transactions for arm's length pricing.

Emphasis of Matter

We draw attention to the following:

- a) Note 36 regarding the company is not complying with the requirement of disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.

However, our opinion is not modified in respect of these matters.

Information other than the Standalone 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 include in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and , in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If ,based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total Comprehensive Income, changes in equity and cash flows of the Company in accordance with 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 the 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 Standalone Ind AS 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.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

GARG FURNACE LIMITED

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit 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 standalone 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the act, 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 the 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 audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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 standalone 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 reasonable be expected to outweigh the public interest benefits of such communication.

Other Matter

- The amount of GST availed, utilized, deposited & balance is considered as provided by the Company which is apparently matched with the books of account on test check basis. The data given is subject to GST Audit, the difference if any arises at the time of GST Audit will be considered by the Company in the period/ year in which the audit is conducted. Further the various reconciliation related to GST are under process with the Company as on date of

GARG FURNACE LIMITED

this audit, the difference if any arises will be considered by the Company in the period/year when these are finally reconciled.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income, Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone 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 March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 over financial reporting 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 over financial reporting.
 - g) With respect to other matters to be included in the Auditor's Report in accordance with requirements of section 197(16), 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 positions in its financial statements.
 - ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amount which were required to be transferred to Investor Education and Protection Fund by the company.

GARG FURNACE LIMITED

2. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in the 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 R.K Chadha & Co.
Chartered Accountants
FRN. 003513N

Paresh Chadha
Partner
M. No.518195

Place: LUDHIANA
Date: 30/06/2020

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 members of Garg Furnace Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Garg Furnace Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone 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 over financial reporting 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting

GARG FURNACE LIMITED

included obtaining an understanding of internal financial controls over financial reporting, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting 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 R.K Chadha & Co.
Chartered Accountants
FRN. 003513N

Place: LUDHIANA
Date :30/06/2020

Paresh Chadha
Partner
M. No.518195

GARG FURNACE LIMITED

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2 under the Heading of "Report on Other Legal and Regulatory Requirements' of our Audit Report of Even Date)

- (i)
 - a). The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b). All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii)
 - a) The management has conducted the physical verification of inventory at reasonable intervals. The frequency of such verifications are reasonable.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not granted any loans during the year, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013. Consequently, the provisions of clauses iii (a) to (C) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, investments, guarantees, and security during the year under the provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. However, the Company was availing exemption under sub clause (c) of clause xiv of Rule 2(1)(c) of Companies (Acceptance of Deposit) Rules, 2014 which is not available to the Company after 31.12.2019, the date on which the Loans from Indian Bank has been repaid fully. No fresh loans have been taken from Promoters and director's relatives after 31.12.2019.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we 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 the record with a view to determine whether they are accurate or complete.

GARG FURNACE LIMITED

- (vii) a). The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess, service tax and other material statutory dues applicable to it with appropriate authorities.
- b). There were no undisputed amounts payable in respect of provident fund, Employees' State insurance, Income Tax, Goods and Service Tax, Customs duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months for the date they become payable.
- c). According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, excise duty, cess and service tax which have not been deposited on account of any dispute except mentioned below:

Nature of the Statute	Nature of dues	Forum where dispute is pending	Period to which amount relate	Amount (Loss reduced by)
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	A.Y. 17-18	3416610
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	A.Y. 18-19	2603166

- (viii) In our opinion and according to the information and explanations given to us, the Company had continuing default in the repayment of loans or borrowings to Indian Bank which was however settled through One Time Settlement Scheme sanctioned by Bank.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the order is not applicable to the company.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the company, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of the transactions have been disclosed in Financial Statements as required by applicable accounting standards. [Refer Note No. 2 of Key Audit Matter of Independent Auditors Report]
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

GARG FURNACE LIMITED

- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the companies Act,2013 are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For R.K Chadha & Co.
Chartered Accountants
FRN. 003513N

Place: LUDHIANA.
Date : 30/06/2020

Paresh Chadha
Partner
M. No.518195

GARG FURNACE LIMITED

Balance sheet as at 31 Mar, 2020

(All amounts in Rs. , unless otherwise stated)

Particulars	Notes	As at 31 March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	186,528,619.12	198,591,938.50
b) Financial assets			
i) Investments	3	4,664,000.00	2,120,000.00
ii) Loans	4	15,470,106.00	16,862,077.00
iii) Other Financial assets	5	3,112,754.00	5,184,038.83
c) Deferred Tax Assets (Net)/MAT Credit	17	575,274.00	575,274.00
d) Other non-current Assets	6	20,905,825.25	19,405,437.25
		231,256,578.37	242,738,765.58
Current assets			
a) Inventories	7	105,327,688.11	170,830,527.00
b) Financial assets			
i) Trade receivables	8	113,286,533.23	108,684,943.02
ii) Cash and Cash equivalents	9	1,524,433.54	4,938,892.46
iii) Other financial asset	10	1,261,016.00	-
c) Current tax assets (net)	11	208,315.00	226,211.00
d) Other current assets	12	26,388,346.17	54,594,067.28
		247,996,332.05	339,274,640.76
Total Assets		479,252,910.42	582,013,406.34
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	13	40,087,000.00	40,087,000.00
b) Other equity	14	92,090,555.64	53,503,333.88
		132,177,555.64	93,590,333.88
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	15	80,386,741.60	46,504,997.75
b) Provisions	16	634,735.00	609,901.00
c) Deferred tax liabilities (Net)	17	-	-
		81,021,476.60	47,114,898.75
Current liabilities			
a) Financial liabilities			
i) Borrowings	18	2,137,014.63	255,961,904.00
ii) Trade and other payables	19		
- Total outstanding dues to micro and small enterprises		240,062,369.67	60,243,164.41
- Total outstanding dues to parties other than micro and small enterprises		10,365,180.38	85,132,444.71
iii) Other financial liabilities	20	10,365,180.38	85,132,444.71
b) Other current liabilities	21	13,384,701.50	39,898,988.59
c) Provisions	22	104,612.00	71,672.00
		266,053,878.18	441,308,173.71
Total Equity and liabilities		479,252,910.42	582,013,406.34

The accompanying notes are an integral part of these standalone financial statements

This is the Balance Sheet referred to in our report of even date

For R.K. Chadha & Co

Chartered Accountants

Firm Reg.No.003513N

Sd/-

Paresh Chadha

Partner

(M.No.518195)

UDIN: 20518195AAAADJ6912

Place : Ludhiana

Date : 30.06.2020

For Garg Furnace Limited.

Sd/

Devinder Garg

(Managing Director)

Sd/-

Gurmeet Singh Batu

(Chief Financial Officer)

Sd/-

Vaneera Garg

(Director)

Sd/-

Chandni Jain

(Company Secretary)

GARG FURNACE LIMITED

Statement of Profit and Loss for the period ended 31 March, 2020

(All amounts in Rs. , unless otherwise stated)

Particulars	Notes	For the period ending on 31 March, 2020	For the period ending on 31 March 2019
I INCOME			
Revenue from operations	23	985,221,881.42	1,118,305,550.06
Other operating revenue		-	-
Other Income	24	16,956,677.84	18,377,709.04
Total Income		1002178559.26	1136683259.10
II EXPENSES			
Cost of materials consumed	25	849,967,733.66	919,975,508.03
Change in inventories of finished goods, stock in trade and work-in-progress	26	27,003,182.00	(38,253,091.00)
Employee benefit expense	27	15,496,558.00	19,057,502.00
Finance costs	28	11,219,692.81	6,773,825.82
Depreciation and amortisation expense	29	13,165,615.00	12,672,732.00
Other expenses	30	158,659,285.03	279,003,807.23
Total Expenses		1,075,512,066.50	1,199,230,284.08
III Profit/(loss) before exceptional items and tax		(73,333,507.24)	(62,547,024.98)
IV Exceptional items	31	109,161,603.00	113,767,290.00
V Profit/(loss) before Tax Expenses (III-IV)		35,828,095.76	51,220,265.02
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Taxes related to earlier years		-	(165,300.00)
VII Profit/(loss) for the year (V-VI)		35,828,095.76	51,054,965.02
Other comprehensive income (OCI)			
A Items that will not be reclassified to profit or loss			
(i) Re-measurement of defined benefit liability		215,126.00	(106,381.00)
(ii) Net (loss)/gain on FVOCI equity securities		2,544,000.00	-
VIII Other Comprehensive Income for the year		2,759,126.00	(106,381.00)
IX Total Comprehensive Income for the year		38,587,221.76	50,948,584.02
X Earnings per equity share of ₹ 10 each (for continuing operation):			
Basic and Diluted	32	9.63	12.71

The accompanying notes are an integral part of these standalone financial statements

This is the Balance Sheet referred to in our report of even date

For R.K. Chadha & Co

Chartered Accountants

Firm Reg.No.003513N

Sd/-

Paresh Chadha

Partner

(M.No.518195)

UDIN: 20518195AAAADJ6912

For Garg Furnace Limited.

Sd/

Devinder Garg

(Managing Director)

Sd/-

Gurmeet Singh Batu

(Chief Financial Officer)

Sd/-

Vaneera Garg

(Director)

Sd/-

Chandni Jain

(Company Secretary)

Garg Furnace Limited
Statement of Cash Flows for the year ended 31 March 2020
(All amounts in Rs. , unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Cash flow from operating activities		
1 Profit before tax	35,828,096	51,220,265
2 Adjustments for:		
Depreciation and amortisation	13,165,615	12,672,732
Re-measurement gains/ (losses) on defined benefit plans recognised through other comprehensive income	2,759,126	(106,381)
Net (profit)/loss on sale of fixed assets	1,535,673	347,892
Finance costs	11,219,693	6,773,826
Unrealised foreign exchange loss		
Interest income on deposits	(1,490,903.00)	(6,498,270)
3 Operating cash flow before working capital changes (1+2)	<u>63,017,299</u>	<u>64,410,064</u>
4 Change in working capital: (Excluding cash & bank balances)		
Decrease/(Increase) in inventories	65,502,839	(60,706,204)
Decrease/(Increase) in trade receivables	(4,601,590)	124,097,986
Decrease/(Increase) in loans	1,391,971	7,169,620
Decrease/(Increase) in other assets	27,533,498	118,448,181
Increase/(Decrease) in trade payables	179,819,205	23,239,411
Increase/(Decrease) in other liabilities	(101,248,611)	31,844,507
Increase/(Decrease) in provisions	24,834	407,042
Change in working capital	<u>168,422,145</u>	<u>244,500,543</u>
5 Cash generated from operations (3+4)	231,439,445	308,910,607
6 Less : Taxes paid	-	165,300.00
7 Net cash flow from operating activities (5-6)	<u><u>231,439,445</u></u>	<u><u>308,745,307</u></u>
B Cash flow from investing activities:		
Proceeds from sale of property, plant and equipment/investments	2,450,940	31,936,393
Purchase of property, plant and equipment	(5,088,908)	(13,141,178)
Increase in Value of Investment	(2,544,000.00)	-
Interest received	1,490,903	6,498,270
Net cash generated/(used) in investing activities:	<u>(3,691,065)</u>	<u>25,293,485</u>
C Net cash flow from financing activities:		
Repayments from short-term borrowings	(253,824,889)	(346,864,219)
Repayments from long -term borrowings	33,881,744	1,480,146
Finance cost paid	(11,219,693)	(6,773,826)
Net cash generated/(used) from financing activities:	<u>(231,162,838)</u>	<u>(352,157,899)</u>
D Net change in Cash & cash equivalents (A+B+C)	(3,414,459)	(18,119,107)
E - 1 Cash & cash equivalents as at end of the year	1,524,434	4,938,892
E - 2 Cash & cash equivalents as at the beginning of year	4,938,892	23,057,999
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1-2)	(3,414,459)	(18,119,107)

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

For R.K. Chadha & Co

Chartered Accountants
Firm Reg.No.003513N

Sd/-
Paresh Chadha
Partner
(M.No.518195)
UDIN: 20518195AAAADJ6912
Place : Ludhiana

Date : 30.06.2020

For Garg Furnace Limited.

Sd/-
Devinder Garg
(Managing Director)

Sd/-
Vancera Garg
(Director)

Sd/-
Gurmeet Singh Batu
(Chief Financial Officer)

Sd/-
Chandni Jain
(Company Secretary)

Garg Furnace Limited
Statement of Changes in Equity for the year ended 31st March, 2020

(All amounts in Rs., unless otherwise stated)

Particulars	As at 31 Mar, 2020
A. Equity Share Capital	
As at 1st April, 2019	40,087,000.00
Issue of Equity Share capital	-
As at Mar 31, 2020	40,087,000.00

B. Other Equity
Attributable to the equity holders

Particulars	Reserves & Surplus					Total
	Securities		General Reserve	Retained Earnings	Other Comprehensive Income	
	Premium Reserve	Capital Reserves				
Balance as at April 1, 2019	56530500.00	2350000.00	189923930.00	-195301096.1	0.00	53503333.88
Profit for the year	0.00	0.00	0.00	35828095.76	0.00	35828095.76
Remeasurement gain/(loss) on Defined benefit plan	0.00	0.00	0.00	0.00	0.00	0.00
Other Comprehensive Income	0.00	0.00	0.00	0.00	2759126.00	2759126.00
Total Comprehensive Income/loss for the year	0.00	0.00	0.00	35828095.76	2759126.00	38587221.76
Transfer from Retained Earning	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at Mar 31, 2020	56530500.00	2350000.00	189923930.00	(159,473,000.36)	2759126.00	92090555.64

The accompanying notes are an integral part of these standalone financial statements

This is the Balance Sheet referred to in our report of even date

For R.k Chadha & Co
Chartered Accountants
Firm Reg.No.003513N
Sd/-
Paresh Chadha
Partner
(M.No.518195)

For Garg Furnace Limited.

Sd/-	Sd/-
Devinder Garg	Vaneera Garg
(Managing Director)	(Director)

Sd/-
Gurmeet Singh Batu
(Chief Financial Officer)

Place : Ludhiana
Date : 30.06.2020

Garg Furnace Limited

Notes to the financial statements for the period ended 31 Mar, 2020

(All amounts in Rs. , unless otherwise stated)

2 Property, plant and equipment and capital work in progress

a) Reconciliation of carrying amount

	Land	Buildings	Furniture and Fixtures	Vehicles	Office Equipment	Plant and Machinery	Total A	Capital Work in Progress	Total (A+B)
Gross carrying value (deemed cost)									
Balance at 1 April 2019	2,468,126.40	57,935,886.69	299,889.44	8,993,062.77	1,429,950.18	165,005,548.02	236,132,463.50	0.00	236,132,463.50
Additions made during the year	0.00	0.00	0.00	0.00	158,670.00	4,930,238.45	5,088,908.45	0.00	5,088,908.45
Disposals / adjustments during the year	0.00	0.00	0.00	1,074,660.88	0.00	6,418,092.00	7,492,752.88	0.00	7,492,752.88
Balance at 31 Mar 2020	2,468,126.40	57,935,886.69	299,889.44	7,918,401.89	1,588,620.18	163,517,694.47	233,728,619.07	0.00	233,728,619.07
Accumulated Depreciation									
Balance at 1 April 2019	0.00	5,991,540.00	148,131.00	5,382,616.00	435,275.00	25,582,963.00	37,540,525.00	0.00	37,540,525.00
Add: Depreciation charge for the year	0.00	2,080,792.00	49,409.00	1,098,097.00	212,436.00	9,724,881.00	13,165,615.00	0.00	13,165,615.00
Less: On disposals / adjustments during the year	0.00	0.00	0.00	1,023,720.83	0.00	2,482,419.22	3,506,140.05	0.00	3,506,140.05
Balance at 31 Mar 2020	0.00	8,072,332.00	197,540.00	5,456,992.17	647,711.00	32,825,424.78	47,199,999.95	0.00	47,199,999.95
Carrying amount (net)									
At March 31, 2020	2,468,126.40	49,863,554.69	102,349.44	2,461,409.72	940,909.18	130,692,269.69	186,528,619.12	0.00	186,528,619.12
At March 31, 2019	2,468,126.40	51,944,346.69	151,758.44	3,610,446.77	994,675.18	139,422,585.02	198,591,938.50	0.00	198,591,938.50

b) The Company has elected Ind AS 101 exemption and continues with the carrying value for all of its property, plant and equipment and capital work in progress as its deemed cost as at the date of transition.

Garg Furnace Limited
Notes to the financial statements for the period ended 31 Mar 2020
(All amounts in Rs. , unless otherwise stated)

Particulars	As at	As at
	31 Mar, 2020	31st Mar, 2019
	Amount	Amount
Note 3. Non-current investments		
In equity instruments		
Unquoted		
At fair value through Other Comprehensive Income		
Fully paid up Equity shares of Sudhir Forgings Pvt Ltd	4,664,000.00	2,120,000.00
Grand Total	4,664,000.00	2,120,000.00
Aggregate amount of unquoted investments at FVOCI Before Impairment	4,664,000.00	2,120,000.00
Note 4. Loans		
(Unsecured, considered good unless otherwise stated)		
Loans Given		
Unsecured, considered good	15,470,106.00	16,862,077.00
	15,470,106.00	16,862,077.00
Note 5. Other Financial Assets		
Term deposits (With maturity of more than than twelve months)	3,112,754.00	5,184,038.83
	3,112,754.00	5,184,038.83
Note:- 6. Other non-current assets		
Security Deposits	20,905,825.25	19,405,437.25
	20,905,825.25	19,405,437.25
Note:-7 Inventories		
Raw Materials (At cost)	29,192,015.44	66,149,986.00
Finished Goods (At cost or net realisable value whichever is lower)	74,251,759.00	101,254,941.00
Store & Spares (At cost)	1,883,913.67	3,425,600.00
	105,327,688.11	170,830,527.00

Garg Furnace Limited**Notes to the financial statements for the period ended 31 Mar 2020***(All amounts in Rs. , unless otherwise stated)***Particulars**

	As at 31 Mar, 2020	As at 31st Mar, 2019
	<u>Amount</u>	<u>Amount</u>
Note:- 8. Trade receivables		
(Unsecured, considered good unless otherwise stated)		
Unsecured		
Considered good		
i) Outstanding for a period exceeding six months from the date they are due.	25,241,305.48	72,692,823.02
ii) other Debts	88,045,227.75	35,992,120.00
	<u>113,286,533.23</u>	<u>108,684,943.02</u>
 Note:- 9. Cash and bank balances		
Balances with banks	1,084,540.28	4,567,921.46
Cash in hand	439,893.26	370,971.00
	<u>1,524,433.54</u>	<u>4,938,892.46</u>
 Note:-10. Other financial assets		
Interest accrued but not received	1,261,016.00	-
	<u>1,261,016.00</u>	<u>-</u>
 Note:- 11 Current tax assets (net)		
Advance income tax/Tds	208,315.00	226,211.00
	<u>208,315.00</u>	<u>226,211.00</u>
 Note:-12. Other Current assets		
Advances to suppliers	22,947,942.96	50,333,408.88
Advances to employees	255,271.00	204,478.00
Balances with statutory authorities	3,032,565.21	3,881,513.40
Prepaid expenses	152,567.00	174,667.00
	<u>26,388,346.17</u>	<u>54,594,067.28</u>

Garg Furnace Limited

Notes to the financial statements for the year ended 31 Mar 2020

(All amounts in Rs. , unless otherwise stated)

Particulars	As at 31 Mar, 2020	As at 31 Mar 2019
Note:- 13(a) Equity Share Capital		
Authorised capital		
100,00,000 Equity Shares of ₹ 10- each (31st March, 2019: 10000000)	100,000,000.00	100,000,000.00
	100,000,000.00	100,000,000.00
Issued, subscribed and Fully paid up.		
4008700 Equity Shares of ₹ 10- each (31st March, 2019: 4008700)	40,087,000.00	40,087,000.00
Total	40,087,000.00	40,087,000.00

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

	31 March, 2020		31 March 2019	
	No of shares	in Thousands	No of shares	in Thousands
Equity shares at the beginning of the year	4008700.00	4008.70	4008700.00	4008.70
Issued during the year				
Equity shares at the end of the year	4008700.00	4008.70	4008700.00	4008.70

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 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.

c) Details of shareholders holding more than 5% shares in the Company

	As on 31 Mar 2020		As on 31 Mar 2019	
	No of shares	in Thousands	No of shares	% holding
Shiv Narayan Investment Pvt Ltd	535,000	13.35%	535000	13.35%
Devinder Garg	1,054,290	26.30%	1054290	26.30%
Toshak Garg	216,950	5.41%	216950	5.41%
Vancera Garg	1,067,510	26.63%	1067510	26.63%
Daksh Garg	210,550	5.25%	210550	5.25%

Note:- 14 Other Equity

Securities Premium Reserve

Opening Balance as per last Balance Sheet	56,530,500.00	56,530,500.00
Add : Additions during the year	-	-
Balance as at the year end	56,530,500.00	56,530,500.00

Capital Reserves

Opening Balance as per last Balance Sheet	2,350,000.00	2,350,000.00
Add : Additions during the year	-	-
Balance as at the year end	2,350,000.00	2,350,000.00

General Reserve

Opening Balance as per last Balance Sheet	189,923,930.00	189,923,930.00
Add : Additions during the year	-	-
Transfer from Retained Earning	-	-
Balance as at the year end	189,923,930.00	189,923,930.00

Note:- 14 Other Equity (contd...)

Particulars	As at 31 March 2020	As at 31 March 2019
Retained Earnings		
Opening Balance as per last Balance Sheet	(195,301,096.12)	(246,249,680.14)
Profit for the year	35,828,095.76	51,054,965.02
Remeasurement gain/(loss) on Ddefined benefit plan	-	(106,381.00)
Balance as at the year end	<u>(159,473,000.36)</u>	<u>(195,301,096.12)</u>
Total (Net Reserve) Transfer to Balance Sheet	89,331,429.64	53,503,333.88
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.

Garg Furnace Limited

Notes to the financial statements for the year ended 31 Mar 2020

(All amounts in Rs. , unless otherwise stated)

Particulars	As at 31 March, 2020	As at 31 March 2019
Note:-15. Non-Current borrowings		
Secured		
Term Loan from Banks*	-	-
UnSecured		
Term Loan from Others**	25,832,679.37	35,923,997.75
From others	54,554,062.23	10,581,000.00
	80,386,741.60	46,504,997.75

Terms of repayment for Long Term secured borrowings:

i) Terms of Repayment of term loans

Particulars	Amount pf Repayment	Rate of interest	Periodicity
HDB FINANCIAL SERVICES	10,091,319.38	14%	31.3.2021
	11,203,417.62		31.3.2022
	12,438,072.87		31.3.2023
	2,191,188.88		31.5.2023
-	35,923,998.75		

* The term loan from Indian Bank does not includes non current maturities, as the account has been declared as NPA and all the dues are payable on demand, hence shown seperately in other financial liabilities. Refer Note-20. However, the Term loans of Bank has been fully paid through One Time Settlement.

Term Loan from INDIAN Bank Limited, HDB Financial Services are secured by equitable mortgage of entire Land & Building and existing plant and machinery of the company ranking pari-passu basis and further secured by charge on the entire current assets of the company and personal guarantee of two directors.

**Other loans include loans from HDB Financial Services against residential property/plot in the name of Directors situated at plot B-35, Khasara no. 133-1/134-1, Block C, Sukhmani Enclave, South City, Ludhiana

Note:- 16. Provisions

Provision for gratuity	634735.00	609,901.00
	634,735.00	609,901.00

Note:- 17. Deferred tax liabilities/(assets) (net)

MAT Credit*	575,274.00	575,274.00
	575,274.00	575,274.00

The company has not created the deferred tax asset against Business loss, as there is no virtual certainty supported by convincing evidence that so much future taxable income will be available against which such deferred tax assets can be realised.

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

Garg Furnace Limited**Notes to the financial statements for the year ended 31 Mar 2020***(All amounts in Rs. , unless otherwise stated)*

Particulars	As at 31 March, 2020	As at 31 March 2019
Note:- 18. Current borrowings		
Secured		
From Banks		
Bank Overdraft	2,137,014.63	-
Working Capital borrowings*		
Cash Credit	-	101,927,355.00
Adhoc Cash Credit	-	35,000,000.00
Devolved LC/ Buyer Credit	-	89,288,040.92
Bank Guarantee (NSIC)	-	29,746,508.08
	2,137,014.63	255,961,904.00

Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company and it carries interest @10.90 % p.a

Note:- 19. Trade payables

Due to micro, small and medium enterprises (refer note 40)	-	-
Other than acceptances	240,062,369.67	60,243,164.41
	240,062,369.67	60,243,164.41

Note:- 20. Other financial liabilities

Interest Accrued and due on Borrowings	273,861.00	343,133.00
Current maturities of long-term borrowings* (Term Loan)	-	75,699,699.00
Current maturities of long-term borrowings* (Lap)	10,091,319.38	9,089,612.71
	10,365,180.38	85,132,444.71

Particulars	As at 31 March, 2020	As at 31 March 2019
Note:- 21. Other current liabilities		
Statutory dues payables	2,359,314.50	573,193.00
Advance from customers	221,010.00	3,224,104.59
Expenses Payable	8,026,665.00	11,498,023.00
Cheque issued but not presented	-	5,541,162.00
Employee Related Payments	2,777,712.00	4,062,506.00
Advance against Sale of Property		15,000,000.00
	13,384,701.50	39,898,988.59

Note:- 22. Provisions

Provision for gratuity	104,612.00	71,672.00
	104,612.00	71,672.00

Garg Furnace Limited**Notes to the financial statements for the year ended 31 Mar 2020***(All amounts in Rs. , unless otherwise stated)*

Particulars	As at 31 March 2020	As at 31 March 2019
Note:- 23. Revenue from operations		
Sale of products (Net of GST)	985,221,881.42	1,118,305,550.06
	<u>985,221,881.42</u>	<u>1,118,305,550.06</u>
Note:- 23(a) Details of product Sold		
Non Alloy Steel round	614,251,801.65	802,896,031.80
Scrap/End Cutting	50,589,932.50	26,149,788.75
Wire rod	164,315,199.50	167,375,165.75
Billets	155,152,493.00	118,112,088.76
Alloy Steel round	834,600.00	3,469,445.00
Others	110,543.00	303,030.00
	<u>985,254,569.65</u>	<u>1,118,002,520.06</u>
Note :- 24 Other Income		
Interest income	1,490,903.00	6,498,270.00
Profit on Sale of Investments	-	1,100,040.00
Bad Debt Recovered	-	518,617.04
Rental Income	180,000.00	180,000.00
Sundry Balances Written back	285,774.84	10,080,782.00
Advance Forfeited against Sale of Property	15,000,000.00	
	<u>16,956,677.84</u>	<u>18,377,709.04</u>
Note:- 25 Cost of materials consumed		
Opening stock	66,149,986.00	46,349,823.00
Add : Purchases (Net)	813,009,763.10	939,775,671.03
Less: Closing Stock	29,192,015.44	66,149,986.00
	<u>849,967,733.66</u>	<u>919,975,508.03</u>
Note:- 26 Change in inventories of finished goods, stock in trade and work -in-progress		
Opening stock		
Work-in-Progress	-	1,903,202.00
Finished Goods / Stock in Trade	101,254,941.00	61,098,648.00
Less: Closing Stock		
Work-in-Progress	-	-
Finished Goods / Stock in Trade	74,251,759.00	101,254,941.00
	<u>27,003,182.00</u>	<u>(38,253,091.00)</u>
Note :- 27 Employee benefit expense		
Salary, Wages and other Allowances	12,537,889.00	16,675,810.00
Contribution to Provident and other funds	761,964.00	1,067,805.00
Staff Welfare Expenses	603,615.00	128,557.00
Directors Remuneration	1,593,090.00	1,185,330.00
	<u>15,496,558.00</u>	<u>19,057,502.00</u>
Note:-28 Finance cost		
Interest Expense	10,984,283.29	6,399,679.36
Other Borrowings Cost	235,409.52	374,146.46
	<u>11,219,692.81</u>	<u>6,773,825.82</u>
Note:- 29 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 2)	13,165,615.00	12,672,732.00
	<u>13,165,615.00</u>	<u>12,672,732.00</u>

Garg Furnace Limited**Notes to the financial statements for the year ended 31 Mar 2020***(All amounts in ₹, unless otherwise stated)*

Particulars	As at	As at
Note:- 30 Other expenses		
Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	29,294,272.47	23,624,648.29
Power and Fuel	117,074,493.17	235,964,028.00
Machinery Repairs and Maintenance	2,759,549.75	5,249,343.57
Custom Duty on Imports	3,340,974.40	5,151,619.40
Job work charges	-	223,920.00
	<u>152,469,289.79</u>	<u>270,213,559.26</u>
Administrative & Other Expenses		
Rates & Taxes	358,590.44	371,099.00
Insurance	319,860.00	380,381.00
Legal & Professional Expenses	542,761.00	1,183,152.00
Postage, Telegrams, Telephone and Telex	112,661.38	156,787.28
Printing and Stationery	105,771.39	113,101.00
Travelling & Conveyance*	195,462.00	141,704.00
Vehicle Repair & Maintenance	981,767.19	1,318,917.00
Repairs and Maintenance	79,779.00	30,981.00
Payment to Auditors*	205,000.00	185,000.00
Bad Debts	265,561.83	-
Loss on sale/discard of Fixed Assets	1,535,672.78	1,447,932.00
Repair and maintenance of Building	850.00	18,368.00
Foreign Exchange Fluctuation	1,206.00	72,134.50
Security charges	5,765.00	453,521.00
Penalty	824,286.00	233,429.00
Charity & Donation	4,000.00	72,000.00
Listing Fee	300,000.00	250,000.00
Prior Period Expenses	-	2,242,000.00
Miscellaneous Expenses	334,101.23	-
	<u>6,173,095.24</u>	<u>8,670,506.78</u>

*Include Director Travelling of ₹ 1.95 lakhs (previous year ₹ 1.73 lakhs)

Selling Expenses

Rebate and Discount	-	78,461.19
Advertisement	16,900.00	41,280.00
	<u>16,900.00</u>	<u>119,741.19</u>
	<u>158,659,285.03</u>	<u>279,003,807.23</u>

***Payment to Auditors**

As Auditor:		
Audit fee	165,000.00	125,000.00
Tax audit fee	40,000.00	40,000.00
	<u>205,000.00</u>	<u>165,000.00</u>

Note:-31 Exceptional Items

Indian Bank - waiver of loan	109,161,603.00	113,767,290.00
	<u>109,161,603.00</u>	<u>113,767,290.00</u>

The One Time Settlement Scheme for ₹ 4500 lacs of the Company was sanctioned on 13/08/2018 as a result the Company had recognized proportionate amount of ₹ 1137 lacs in Exceptional items against the waiver of loan in Previous Year. And further ₹ 1091 lacs is recognized in Exceptional items in Current Year against the full and final payment of Loans. Further as per Ind AS 109 "Financial Instruments", the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

Note:- 32 Earnings per share (EPS) (Ind AS 33)

The Company's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings

Particulars	As at 31 March 2020	As at 31 March 2019
Earnings Per Share has been computed as under:		
Profit for the year attributable to the Equity holders of the Company	38,587,221.76	50,948,584.02
Weighted-average number of equity shares for basic EPS	4,008,700.00	4,008,700.00
Earnings Per Share (₹) - Basic (Face value of ₹ 10 per share) (Diluted earning per share is same as basic earning per share.)	9.63	12.71

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

Garg Furnace Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in Rs. , unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Note:- 33 Contingent Liabilities (To the Extent not provided for)		
(a) Bank Guarantees in favour of suppliers and others.	2,438,607.00	4,991,000.00

Note:- 34. Post Retirement Benefits Plans (Ind AS 19)

Defined Benefit Plan

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. For the funded plan the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Changes in Defined Benefit Obligation		
Present value obligation as at the start of the year	681,573.00	233,290.00
Interest cost	50,949.00	17,963.00
Current service cost	253,105.00	323,939.00
Benefits paid	(31,154.00)	-
Experience Adjustment	(244,923.00)	112,319.00
Diff in Present value of Obligation	29,797.00	(5,938.00)
Present value obligation as at the end of the year	739,347.00	681,573.00

(ii) Breakup of Actuarial gain/loss:

Actuarial (gain)/loss on arising from change in financial assumption	-	-
Actuarial (gain)/loss on arising from experience adjustment	(244,923.00)	112,319.00
	(244,923.00)	112,319.00

(iii) Net Asset / (Liability) recognised in the Balance Sheet

Present value obligation as at the end of the year	(739,347.00)	(681,573.00)
Fair value of plan assets as at the end of the year	-	-
Net Asset / (Liability) in the Balance Sheet	(739,347.00)	(681,573.00)

(iv) Amount recognized in the statement of profit and loss

Current service cost	253,105.00	323,939.00
Interest cost	50,949.00	17,963.00
Interest income on plan assets	-	-
(Income)/Expense recognised in the statement of profit and loss	304,054.00	341,902.00

Garg Furnace Limited

Notes to the financial statements for the year ended 31 March 2020

(All amounts in Rs. , unless otherwise stated)

(v) Remeasurements recognised in the statement of Other Comprehensive Income (OCI)

Changes in Financial Assumptions	-	-
Experience Adjustments	(215,126.00)	106,381.00
Return on plan assets (greater)/less than discount rate	-	-
Amount recognised in Other Comprehensive Income	(215,126.00)	106,381.00

(vi) Actuarial assumptions

Discount Rate (p.a)	6.75%	7.65%
Salary Escalation Rate (p.a)	8.00%	8.00%
Employee Turnover rate	20.00%	20.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

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

Particulars

Note:- 34. Post Retirement Benefits Plans (Ind AS 19) (contd.)

SENSITIVITY CUM SCENARIO TESTING (GRATUITY)

	SR	IROI	AR	AVGL(RS.)	Difference over base
	-1	-1	-1	755,242.00	15895.00
	-1	0	-1	720,194.00	(19,153.00)
(viii) Sensitivity analysis for gratuity liability	-1	1	-1	687,891.00	(51,456.00)
	-1	-1	0	739,749.00	402.00
Description of Risk Exposure: 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:	-1	0	0	706,443.00	(32,904.00)
	-1	1	0	675,690.00	(63,657.00)
A. Salary Increase - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also Increase the liability	-1	-1	1	724,866.00	(14,481.00)
	-1	0	1	693,159.00	(46,188.00)
B. Imputed rate of return (IROR) - Reduction in IROR in subsequent valuations can increase the plan's liability	-1	1	1	663,835.00	(75,512.00)
C. Withdrawals - Actual withdrawals proving higher or lower than that assumed and change of withdrawal rates at subsequent valuations can impact plan's Liability.	0	-1	-1	792,548.00	53201.00
	0	0	-1	754,818.00	15471.00
D. Morality - Actual deaths proving lower or higher than assumed in the valuation can impact the liabilities.	0	1	-1	720,111.00	(19,236.00)
	0	-1	0	775,117.00	35770.00
This table reflects change in liabilities that will result from change in assumptions in respect of salary rise, imputed rate of return and attrition rates.	0	0	0	739,347.00	-
Deviation in expected Morality is of less significance and thus not included in analysis	0	1	0	706,366.00	(32,981.00)
	0	-1	1	758,465.00	19118.00
	0	0	1	724,484.00	(14,863.00)
	0	1	1	693,090.00	(46,257.00)
	1	-1	-1	832,390.00	93,043.00
	1	0	-1	791,734.00	52,387.00
	1	1	-1	754,403.00	15,056.00
	1	-1	0	812,798.00	73,451.00
	1	0	0	774,349.00	35,002.00
	1	1	0	738,955.00	(338.00)
	1	-1	1	794,189.00	54,842.00
	1	0	1	757,735.00	18,388.00
	1	1	1	724,114.00	(15,233.00)

Note:-35 Segment Reporting

Operating Segments:

(a) Steel :- Ingot, Round and Wire Rod

(b) Textile Products

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment's, trade receivables and Inventory. Segment liabilities primarily includes trade payable and advances received from Customers. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets/liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Geographical segment

Geographical segment is considered based on sales within India only.

Particulars	As at 31 March 2020	As at 31 March 2019
Segment Revenue		
(a) Steel	985,221,881.42	1,118,305,550.06
Total Revenue	<u>985,221,881.42</u>	<u>1,118,305,550.06</u>
Less: Inter Segment Revenue	-	-
Segment Revenue from External Customers	<u><u>985221881.42</u></u>	<u><u>1118305550.06</u></u>
Segment Results		
Segment results before interest & Finance cost		
(a) Steel	49,806,914.57	57,722,409.84
Total Segment results	<u>49,806,914.57</u>	<u>57,722,409.84</u>
Less:- Interest & Finance Cost	11,219,692.81	6,773,825.82
Profits from Ordinary activities	<u><u>38,587,221.76</u></u>	<u><u>50,948,584.02</u></u>

Garg Furnace Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in Rs. , unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Note:- 35 Segment Reporting {Cont...}		
Segment Assets (net of Depreciation/Impairment)		
(a) Steel	405,142,840.46	377,504,456.84
(b) Textile	-	3,570,800.00
Total Segment Assets	<u><u>405,142,840.46</u></u>	<u><u>381,075,256.84</u></u>
Segment Liabilities		
(a) Steel	240,283,379.67	101,166,859.00
(b) Textile	-	-
Total Segment Liabilities	<u><u>240,283,379.67</u></u>	<u><u>101,166,859.00</u></u>
Capital Employed (Segment assets- Segment Liabilities)		
(a) Steel	164859460.79	276337597.84
(b) Textile	-	3,570,800.00
	<u><u>164859460.79</u></u>	<u><u>279908397.84</u></u>

Note:- 36 Dues to micro and small suppliers

The Company has not received information from vendors/service providers regarding their status under Micro, small and Medium Enterprises Development Act,2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/ payable under this act has not been given.

Note:- 37 Related party disclosure as per Ind AS 24

a) Disclosure of related parties and relationship between the parties

Nature of relationship	Name of related party
(i) Entities in which directors of the Company are able to exercise control or have significant influence	
	Vancera Industries Ltd Avtar Exports Pvt Ltd Devinder Garg & Sons HUF
(ii) Key management personnel (KMP)	
	Devinder Garg (Managing Director) Vancera Garg (Executive Director) Pawan Garg (Independent Director till 15-11-2019) Dharam Chand (Independent Director Appointed on 15-11-2019) Manjeet Singh (Independent Director Appointed on 15-11-2019) Gurmeet Singh Battu (Chief Financial Officer) Chaandni Jain (Company Secretary)
(iii) Relatives of Key Management Personnel	
	Toshak Garg (Son of Director) Daksh Garg (Son of Director) Nivedita Garg (Daughter in law of Director)

(b) Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2020

	As at 31 March 2020	As at 31 March 2019
(i) Enterprises in Which Key Management Personnel and relative of such personal is able to exercise significant influence or control.		
Purchase of goods	412,129,022.00	663,767,921.00
Sales of Goods	314,520,336.00	965,956,386.26
Rent received	180,000.00	180,000.00
Loan received	39,037,791.00	14,933,000.00
Loan Repaid	8,064,728.39	4,352,000.00
Balance Receivable/Payable (net) as on 31.03.2020	214,115,852.91	41,294,051.61

(c) The remuneration of directors and other members of Key management personnel during the year was as follows:

Name of KMP		
Sh. Devinder Garg	1,593,090.00	1,185,330.00
	<u>1593090.00</u>	<u>1185330.00</u>

Note:-38 Financial Instruments - Fair Value and Risk Management

(a) Financial Instruments by category and fair value

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment	-	4,664,000.00	-	-	2,120,000	-
-Equity instruments	-	-	-	-	-	-
-Mutual Funds	-	-	-	-	-	-
-Preference Share	-	-	-	-	-	-
Loans	-	-	15,470,106.00	-	-	16,862,077
Fixed Deposits	-	-	3,112,754.00	-	-	5,184,039
Trade receivables	-	-	113,286,533.23	-	-	108,684,943
Cash and cash equivalents	-	-	1,524,433.54	-	-	4,938,892
Other financial assets	-	-	1,261,016.00	-	-	-
Total	-	4,664,000.00	134,654,842.77	-	2,120,000.00	135,669,951.31
Financial liabilities						
Borrowings (Non Current)	-	-	80,386,741.60	-	-	46,504,997.75
Borrowings (Current)	-	-	2,137,014.63	-	-	255,961,904.00
Trade payable	-	-	240,062,369.67	-	-	60,243,164.41
Other Financial Liabilities	-	-	10,365,180.38	-	-	85,132,444.71
Total	-	-	332,951,306.28	-	-	447,842,510.87

(b) Fair value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standards (Ind AS 113). An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	31 March 2020			31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Non-current assets						
Equity instruments	-	-	4,664,000.00	-	-	2,120,000.00
Mutual Funds	-	-	-	-	-	-
Total financial assets	-	-	4,664,000.00	-	-	2,120,000.00
Financial liabilities	-	-	-	-	-	-
Total	-	-	-	-	-	-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed mutual funds. The fair value of all mutual funds which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. 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.

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to short term nature.

Interest Rates on long term borrowings calculated at fixed rate are equivalent to the market rate of interest. Accordingly, the carrying value of such long term debt approximates fair value.

Fair Value of all other non current assets has not been disclosed as the change from carrying amount is not significant.

Note:- 43. Financial risk management objectives and policies

Company has exposure to following risks arising from financial instruments:-

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) 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 risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

a) 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 is carrying its borrowings primarily at fixed rate. Thereby, the Company is not having any risk towards market rate of interest and hence no sensitivity analysis has been done.

b) Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not restricting its exposure of risk in change in exchange rates. The Company expects the Indian Rupee to strengthen and accordingly the Company is carrying the risk of change in exchange rates.

a) Foreign Currency Exposure

The Company is not exposed to any forward contract and there is no unrealised asset or liability, thereby no sensitivity analysis has been done.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions and other financial

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors on the basis of past trends. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred.

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. However, the company had a continuing default in repayment of dues to Indian Bank as a result the account became NPA in FY 2015-16. However, the One Time Settlement at ₹ 45 Crores was sanctioned by the Indian Bank to which the Company duly honoured and paid full & final amount by 31/12/2019. Further, the Company is taking adequate steps to resolve the liquidity issues.

The table below summarises the maturity profile of the Company's Borrowings on contractual undiscounted payments -

	0-1 Years	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31 March 2020					
Contractual maturities of borrowings	10,091,319.38	23,641,490.49	2,191,188.88	-	35,923,998.75
					-
Particulars	0-1 Years	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31 March 2019					
Contractual maturities of borrowings	84,789,311.71	10,091,319.38	25,832,678.37	-	120,713,309.46
					-

Note:- 43 Capital Management

For the purpose of the Company's capital management, 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 maximise 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. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	As at 31-Mar-2020	As at 31-Mar-2019
Borrowings	92,615,075.61	387,256,213.46
Trade payables	240,062,369.67	60,243,164.41
Less: Cash and cash equivalents	1,524,433.54	4,938,892.46
Net debt	331,153,011.74	442,560,485.41
Equity	132,177,555.64	93,590,333.88
Capital and net debt	463,330,567.38	536,150,819.29
Gearing ratio	71.47%	82.54%

Notes to Financial Statements for the year ended 31st March 2020

1. Corporate Information

Garg Furnace Limited is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. Its shares are listed on three recognized stock exchanges in India. The registered office of the company is located in Kanganwal Road, Ludhiana. The Company is engaged in the business of manufacturing of alloy and non-alloy steel ingots, wire rods, wire round, mig wire, casting of iron products and trading of iron, steel and textiles products.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Company consisting of Garg Furnace Limited (the 'Company').

The Financial Statements are approved for issue by Companies Board of Directors on 30.06.2020.

(a) Basis of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, guidelines issued by SEBI and other relevant provisions of the Act.

(ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- (i) Land and buildings classified as property, plant and equipment.
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- (iii) Employee's Defined Benefit Plan as per actuarial valuation.

All amounts disclosed in the financial statements and notes have been rounded off to two decimal places to the nearest Rupees as per the requirement of Schedule III, unless otherwise stated.

(b) Estimation of Uncertainties regarding Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

(c) 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.*

- I. Held primarily for the purpose of trading.*
- II. Expected to be realized within twelve months after the reporting period, or*
- III. 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:

- I. It is expected to be settled in normal operating cycle.*
- II. It is held primarily for the purpose of trading.*
- III. It is due to be settled within twelve months after the reporting period, or*
- IV. 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.

(d) 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

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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

(e) Current versus non-current classification

All assets and liabilities have been classified as current or non current as per company's normal operating cycle and other criteria set out in the Schedule III to the Act.

(f) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently, the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition i.e. 1st April, 2016.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Straight Line Method to allocate their cost, net of their residual values, over their useful lives. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act. The residual values are not more than 5% of the original cost of the asset.

The estimate useful life of assets are as follows:

BUILDING	30 Years
PLANT AND MACHINERY	20 Years
WEIGHING SCALE & Bridge	15 Years
LABORATORY EQUIPMENTS	10 Years
COMPUTER	3 Years
FURNITURE & FIXTURES	10 Years
VEHICLES	8-10 Years
C.I.ROLLS	1 Years
Office Equipments	15 Years

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Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

(g) 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.

(h) 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 & spares at FIFO basis, 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.

(i) 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.

(j) 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.

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.

(k) 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.

(l) Revenue recognition

Revenue recognition and presentation:

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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Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

(m) 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).

(n) 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.

(o) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at historical cost, less provision for impairment if any.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship.

Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(p) 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 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 assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or

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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.

(q) 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.

(r) 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. 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.

(s) 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)

GARG FURNACE LIMITED

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. The Company has Operating segments comprising of Steel and Textile.

(t) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(u) 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.

(v) 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.

(w) 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

GARG FURNACE LIMITED

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.

(x) 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.

(y) Events occurring after balance sheet date

There are no major events which has occurred after the balance sheet date.

(z) Application of New Accounting Pronouncements

The following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2019, were applied by the Company during the period.

- Ind AS 116, Leases with effect from April 01, 2019.

-Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, to recognise a right-of-use asset at the date of initial application to an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application, the comparative information has not been restated. But it has no impact on the financial statements as the company is having no leases.

GARG FURNACE LIMITED

**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:..... DPID:.....

I/We, being the member(s) of GARG FURNACE LIMITED holding..... shares of the above named
company,
hereby appoint

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 47th Annual General Meeting of the Company, to be held on Wednesday the 30th day of September, 2020 at 10.30 A.M and at any adjournment thereof in respect of such resolutions to be proposed at such 47th Annual General Meeting

Affix
Revenue
Stamp

Signed this day of2020

Signature of Shareholder

Signature of Proxy holder(s)

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

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

47th ANUUAL GENERAL MEETING ON 30TH DAY OF SEPTEMBER, 2020

DP ID- Client ID/ Folio No :	
Name & Address of Sole Member:	
No. of Shares held:	

I certify that I am a member/ proxy of the Company.

I hereby record my presence at the 45th Annual General Meeting of the Company, to be held on Wednesday the 30th day of September, 2020 at 10.30 A.M at Registered Office of the Company.

Member/ Proxy Signature

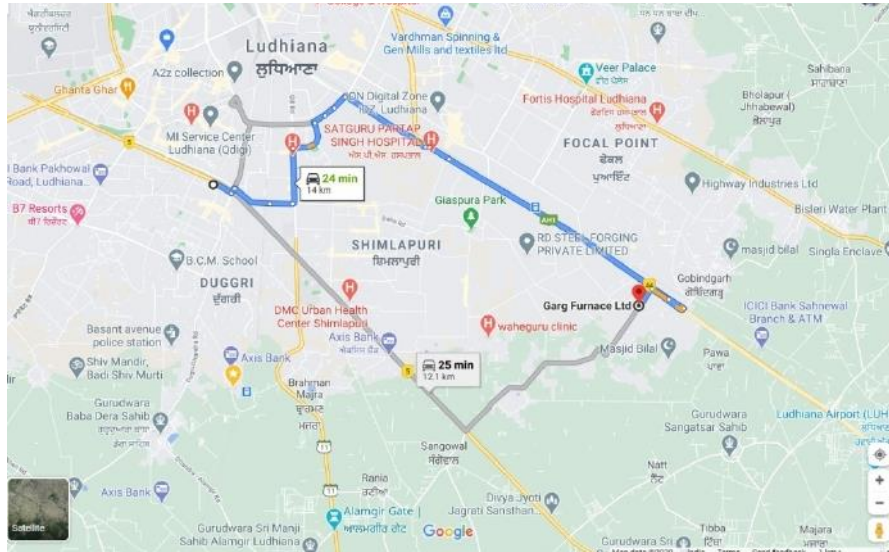
ELECTRONIC VOTING PARTICULARS

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

Note: Please read the complete instructions given under the Notes (The instructions for shareholders voting electronically) to the Notice of 47th Annual General Meeting. The voting time starts from **Saturday 26th September, 2020 (9.00AM IST) and ends on Tuesday, 29th September, 2020 (5.30PM IST)**. The voting module shall be disabled by CDSL for voting thereafter.

GARG FURNACE LIMITED

VENUE OF AGM





Curier

If undelivered please return to:

GARG FURNACE LIMITED

Regd. Office : Kanganwal Road, V.P.O. Jugiana,
G.T. Road, Ludhiana-141-120