GARG
FURNACE LTD.

Annual Report
2026

Partnering for a future that counts.

MANAGEMENT

BOARD OF DIRECTORS

DIRECTORS	:	Mr. Devinder Garg (Chairman and Managing Director)
(PROMOTERS)		Mrs. Vaneera Garg (Whole Time Director) Mr. Toshak Garg (Managing Director)
DIRECTORS INDEPENDENT	:	Mrs. Amandeep Kaur Mrs. Shruti Gupta Mrs. Purti Katyal (Resigned w.e.f. 14.08.2025) Mrs. Mehak Jain (Appointed w.e.f. 14.08.2025)
STATUTORY AUDITOR	:	M/s. Ashwani & Associates 19-A, Block-B, Udham Singh Nagar, Tagore Nagar, Ludhiana, Punjab 141001
COST AUDITOR	:	Anju Pardesi H No 149A, Block A, G.K. Estate Bhamian Khurd, Near Ansal Enclave, Ludhiana- Punjab-141015.
SECRETARIAL AUDITOR	:	PDM & Associates H.No.83, New Sant Fateh Singh Nagar, Dugri Road, Ludhiana-Punjab.
BANKERS	:	HDFC Bank
REGISTERED OFFICE & WORK	:	Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana-141120

CONTENTS

GARG FURNACE LIMITED

CIN: L99999PB1973PLC003385

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

Phone: 0161-2512285 Email: gargfurnace@yahoo.com,

Web: www.gargfurnacelimited.com

NOTICE

Notice is hereby given that the 53rd Annual General Meeting of the Members of **Garg Furnace Limited** will be held on Saturday, the 29th day of August, 2026 at 1:00 P.M. at the Registered office at Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana- 141120 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements for the financial year ended on 31.03.2026 and the Reports of Board of Directors and Auditors thereon.

2. To appoint Director in place of **Smt. Vaneera Garg (DIN: 01283990)** who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Cost Auditors of the Company** and in this regard 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 25,000.00** (Rupees Twenty Five Thousand Only) plus out-of-pocket expenses payable to M/s. Anju Pardesi, Cost Accountants (Firm's Registration No. 003448) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending **31st March, 2027."**

4. **To approve Material Related Party Transactions of the Company** 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 the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ("Listing Regulations"), the other applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or amendment (s) or re-enactment(s) thereof, for the time being in force), the Company's policy on Related Party transaction(s), and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transaction(s)/Contract(s)/ Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with entities falling within the definition of 'Related Party' under Regulation 2(1)(zb)of the Listing Regulations and any other applicable regulations if any to transactions the details of which are more particularly set out in the explanatory statement of this Notice, provided however that the aggregate amount/value of all such arrangements/ transactions contracts that to be entered into by the Company with the Related Party and remaining outstanding at any one point in time shall not exceed the limits mentioned below, during the financial year 2026-2027, on such terms and conditions as may be considered appropriate by the Board of Directors of the Company, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

Name of Related Party and Nature of Relationship	**Type of Transaction(s)**	**Value of Transactions (Rs. in crore) and Tenure of Transactions**
Vaneera Industries Limited (Formerly Known as Vaneera Industries Private Limited) (Promoter Group Company)	Purchase of Goods Sales of Goods Rent Received Lease of Machinery Acquisition of shares Corporate Guarantee Received	Aggregate value of transactions for the financial year 2026-2027 should not exceed Rs. 200.00 crore.
Devinder Garg (Managing Director and Promoter)	Remuneration Unsecured Loan Received	Aggregate value of transactions for the financial year 2026-2027 should not exceed Rs. 1.00 crore.
Vaneera Garg (Whole Time Director and Promoter)	Remuneration Unsecured Loan Received	Aggregate value of transactions for the financial year 2026-2027 should not exceed Rs. 1.00 crore.
Toshak Garg (Managing Director and Promoter)	Remuneration Unsecured Loan Received	Aggregate value of transactions for the financial year 2026-2027 should not exceed Rs. 1.00 crore.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

5. **Issue of warrants convertible into equity shares to the proposed allottees, on a preferential basis** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 (the "**Act**"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**SEBI ICDR Regulations**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended up to date (the "**Listing Regulations**"), and subject to any other applicable rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs ("**MCA**"), the Securities and Exchange Board of India ("**SEBI**"), and/or any other competent authorities (hereinafter referred to as "**Applicable Regulatory Authorities**") from time to time to the extent applicable and enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the requisite approvals, consents and permissions as may be necessary or required from regulatory or other appropriate authority including BSE Limited (**"Stock Exchange"**), and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board of Director (the **"Board"**) of the Company in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time, in one or more tranches, upto 13,98,000 (Thirteen Lakhs Ninety Eight Thousand Only) convertible warrants ("**Warrants**"), at a price of ₹ 126.50/- (Rupees One Hundred Twenty Six Point Five Zero Only) per warrant, aggregating upto ₹17,68,47,000/- (Rupees Seventeen Crores Sixty Eight Lakhs Forty Seven Thousand Only) ("**Total Issue Size**"), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value ₹ 10.00/- (Rupees Ten only), each at a premium of ₹ 116.50/- per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants, to persons / entity enlisted below ("Warrant Holder"/ "Proposed Allottees") belonging to promoter & promoter group and non-promoter category of the Company on a preferential basis ("Preferential Issue"), for consideration payable through electronic means/ banking channels and in such manner and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the terms of this Preferential Issue, provisions of SEBI ICDR Regulations, or other applicable laws in this respect:

S. No.	Name of Proposed Allottees	Category (Promoter/ Non - Promoter)	Maximum number of Convertible Warrants proposed to be allotted
1.	Davinder Garg	Promoter	3,00,000
2.	Vaneera Garg	Promoter	3,00,000
3.	Toshak Garg	Promoter	3,00,000
4.	Daksh Garg	Promoter	3,00,000
5.	Sangeeta Pareekh	Non - Promoter	51,000
6.	Securocrop Securities India Private Limited	Non - Promoter	1,02,000
7.	Saket Agarwal	Non - Promoter	30,000
8.	Vanshika Sharma	Non - Promoter	3,000
9.	Manit Sawhney	Non - Promoter	12,000

RESOLVED FURTHER THAT in accordance with regulation 161 of the SEBI ICDR Regulations, the Relevant Date for the purpose of calculating floor price of the Equity Shares to be issued upon conversion/exercise of right attached to the Warrants is Thursday, July 30, 2026, being the date that is 30 (Thirty) days prior to the date of shareholders meeting i.e., Saturday, August 29, 2026.

RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company to the allottees within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or exchanges or the Central Government, the issue and allotment shall be completed within a period of 15 days from the date of receipt of such approval.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

I) The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company. The Warrants may be exercised into Equity Shares as aforesaid by the Warrant holder(s) at any time before the expiry of 18 months from the date of allotment of the Warrants.

II) A Warrant subscription price equivalent to 25% (i.e., the upfront amount) of the issue price will be payable at the time of subscription to the Warrants, as prescribed by Regulation 169 of the SEBI ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. A Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Warrant holder(s) at the time of exercising the Warrants.

III) The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.

IV) The respective Warrant Holders shall make payment of Warrant Subscription Price and Warrant Exercise Price from their own bank account into the designated bank account of the Company and in the case of joint holders, shall be received from the bank account of the person whose name appears first in the application.

V) In the event the Warrant holder(s) does not exercise the Warrants within 18 months from the date of allotment, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.

VI) The Warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter V of SEBI ICDR Regulations.

VII) The Warrants by itself, until exercised and converted into Equity Shares, shall not give to the Warrant Holders thereof any rights with respect to that of an Equity shareholder of the Company.

RESOLVED FURTHER THAT the pre-preferential allotment shareholding of the Warrant Holders, if any, in the Company shall also be subject to lock-in as per the provisions of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modification(s) or modify the terms of issue of Warrants, subject to the provisions of the Act and SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable law, the consent of the Members of the Company be and is hereby accorded to record the name and address of the allottees and issue a private placement offer cum application letter in the Form PAS-4 to the allottees inviting to subscribe to the Warrants in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the Warrant holder(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose to give effect to the above resolution, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the above mentioned Preferential offer (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue), making applications to Stock Exchange for obtaining of in-principle approval, filing of requisite documents with the Registrar of Companies, Chandigarh (“ROC”), National

Securities Depository Limited ("NSDL"), Central Depository Services (India) Limited ("CDSL") and/ or such other authorities as may be necessary for the purpose, and to take all such steps as may be necessary for the admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the credit of such Warrants / Shares to the respective dematerialized securities account of the Warrant Holders and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilisation of proceeds of the Warrants or Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to Committee of Directors/ any Director(s)/Company Secretary / any Officer(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter referred to above or contemplated in the foregoing resolution is hereby approved, ratified and confirmed in all respects."

By Order of the Board of Directors
For Garg Furnace Limited

Place: Ludhiana
Date: 31.07.2026

Devinder Garg
Chairman and Managing Director
DIN: 01665456

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

5. An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business under Item No. 3, 4 and 5 is annexed hereto. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement. Necessary information of the Directors seeking appointment/re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.

   The Statement read together with the Annexures hereto and these notes form an integral part of this Notice.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Skyline Financial services Limited.

7. The Register of Members and the Share Transfer Book of the company will remain closed from Sunday, 23rd August, 2026 and ends on Saturday, 29th August, 2026 (both days inclusive).

8. **DISPATCH OF ANNUAL REPORT THROUGH E-MAIL**

   Pursuant to the MCA Circulars and the SEBI Circulars, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2026, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Skyline Financial Services Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2026 shall be available on the websites of the Company viz., www.gargfurnacelimited.com and of the Stock Exchanges where Equity Shares of the Company are listed i.e. i.e., BSE Limited at www.bseindia.com.

Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.

Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.

9. Mrs. Pooja Damir Miglani, PDM & Associates, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The scrutinizer shall upon the conclusion of General Meeting, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.

10. The Results of the resolutions passed at the AGM of the Company will be declared within 2 working days from the conclusion of AGM. The Results declared along with the Scrutinizer's report shall be placed on Company's website of CDSL and will be communicated to the stock exchanges.

11. **Nomination Facility**

    SEBI vide its Circular dated 16th March, 2023 has mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. On or after 1st October, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at www.gargfurnacelimited.com

    Members holding shares under a single name in physical mode are advised to make nomination in respect of their shareholding in the Company. The Nomination Form can be downloaded from the Company's website, i.e., www.gargfurnacelimited.com from "Investor Relations" section. Members holding shares in demat mode should file their nomination with their respective Depository Participant(s).

12. Pursuant to Regulation 40 of the Listing Regulations, the securities of listed companies can be transferred only in the dematerialized mode. In compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD _ RTAMB/ P/CIR/202Z/8 dated 25th January 2022, the following requests received by the Company/ Company RTA in physical form will be processed and the shares will be issued in de-materialization form only:-

    i. Issue of duplicate share certificate
    ii. Claim from unclaimed suspense account
    iii. Renewal/Exchange of securities certificate
    iv. Endorsement
    v. Sub-division/splitting of securities certificate/ Consolidation of securities certificates/folios
    vi. Transmission
    vii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the Company as well as on the website of Skyline Financial Services Pvt Ltd, Registrar and Share Transfer Agent (RTA). Members, who are holding shares in physical/electronic form and their e-mail addresses are not registered with the Company/their respective Depository Participants, are requested to register their e-mail addresses at the earliest by filling Form ISR-1 and sending the scanned copy of the Form mentioning their name, complete address, folio number, number of shares held with the Company along with self-attested scanned copy of the PAN Card and self-attested scanned copy of any one of the following documents viz, Aadhaar Card, Driving License, Election Card, Passport, utility bill or any other Govt. document in support of the address proof of the Member as registered with the Company for receiving the Annual Report 2025-26 along with AGM Notice by email to gargfurnace@yahoo.com. Members holding shares in demat form can update their email address with their Depository Participants and send scan copy of client master to gargfurnace@yahoo.com.

The Securities and Exchange Board of India ('SEBI') vide its circular no SEBVHO/MIRSD/MIRSD _ RTAMB/ P/CIR/2021/655 dated 3rd November, 2021, circular no. SEBI/HO/MIRSD/MIRSD _ RTAMBiP/CIR/2021/687 dated 14th December, 2021, circular no. SEBVHO/ MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 (now rescinded by Master Circular SEBI/ HO/MIRSD/P00-1/PiCIR/2023/70 dated 17th May, 2023) read with SEBI/HO/MIRSD/POD-1/P/ CIR/2023/1 81 dated 17th November, 2023 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Registrar will not process any service requests or complaints received from the member until unless above KYC and nomination will not be completed by shareholder.

SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members only electronically by rescinded the SEBI circular SEBI/HO/MIRSD/MIRSD _RTAMB/P/CIR/2021/655 dated 3rd November, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 by issuance of Master Circular for Registrars to an Issue and Share Transfer Agents dated 17th May, 2023 and SEBI/HO/ MIRSD/POD-1/P/CIR/2023/ 181 dated 17th November, 2023, all dividend payments after 31st March, 2024, will be processed only electronically.

In compliance with SEBI Circular, please note that no dividend will be processed in Physical mode and the Company will process the dividend in electronic mode only as per the details provided by you within the stipulated time. Further to note that if the aforesaid details are not received and the dividend remain unpaid/unclaimed upto 7 years, dividend will be transferred to IEPF after 7 years as per the applicable provisions of the Companies Act, 2013.

Securities and Exchange Board of India ("SEBI") vide its Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/ 2023/131 dated 31st July. 2023 and SEBVHO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated 4th August, 2023 and Master Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 (updated as on 11th August, 2023), has introduced a common Online Dispute Resolution Portal (''ODR Portal") to facilitate online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. Investors may also refer link https://scores.gov.in/ to access the ODR Portal as well as to the modalities of the ODR portal and operational guidelines and instructions including timelines for registration/review/ resolution of complaints/disputes filed through the portal, manner of proceedings to be conducted by the ODR institutions, role and responsibilities of market infrastructure intermediaries, code of conduct for conciliators and arbitrators etc. as provided in the SEBI Circulars referred above and available on the website of the Company. An intimation to the shareholders through email had been sent by Company RTA during the year under consideration whose email are registered with them in regard to the Online Dispute Resolution Mechanism (ODR system) as maintained by the Company.

13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.

    Members holding shares in physical form are requested to advise any change in their address or Bank mandates immediately to the Company's Registrar and Share Transfer Agent, M/s Skyline Financial Services Pvt. Ltd, D-153 A, 1st Floor, Okhla Industrial, Area, Phase-I, New Delhi-110020. Tel: 011- 64732681-88 Web: www.skylinerta.com

14. Members holding shares in physical mode are requested to immediately notify any change in their address along with self-attested copy of address proof i.e. Aadhaar Card/Electricity Bill/Telephone Bill/Driving License/Passport/Bank Passbook particulars to the Company or its RTA and in case their shares are held in dematerialized mode, this information should be notified/submitted directly to their respective Dps.

15. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, if any. The Company or its Registrar and Share Transfer Agent, M/s Skyline Financial Services Pvt. Ltd. cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to their Depository Participants by the Members.

16. Pursuant to Section 72 of the Companies Act, 2013, read in conjunction with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members are provided the opportunity to make nominations concerning the shares held by them. Members who have not yet registered their nominations are hereby urged to do so by submitting Form No. SH 13. This form can be obtained from the Company's website https://gargfurnacelimited.com/

17. Members who hold shares individually in single name and in physical form are advised to initiate the nomination process regarding their shareholding in the Company. To accomplish this, they must submit the duly completed Form No. SH 13 with the Company's Registrar and Transfer Agent (RTA) for shares in physical form, and with their respective depository for shares in electronic form.

18. In the event that any Member requires cancellation or modification of their existing nomination pertaining to their Shareholding in the Company, they may download Form ISR-3 or Form SH-14 from the Company's website https://gargfurnacelimited.com/. After obtaining the appropriate form, they must duly complete it and submit Form ISR-3 with the Company's Registrar and

Transfer Agent (RTA) for shares in physical form, or Form SH-14 with their respective depository for shares in electronic form.

19. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent, M/s Skyline Financial Services Pvt. Ltd., immediately of:

    a) Change in their residential status on return to India for permanent settlement.

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

20. **Voting through Electronic Means:** Pursuant to the Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the 53rd Annual General Meeting (AGM) by electronic means

21. **The instructions for shareholders voting electronically are as under:**

    a) The voting period begins on **Wednesday, 26th August, 2026 (9.00AM IST) and ends on Friday, 28th August, 2026 (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 i.e. **Saturday, 22nd August 2026** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    b) Shareholders who have already voted prior to the meeting date through e-voting would not be entitled to vote at the meeting value.

    CDSL e-Voting System – For e-voting.

    THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

    Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

    Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

    c) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

    Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

d) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of Members	Login methods
Individual members holding shares in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com /myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.

Individual members holding shares in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual member (holding shares in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual members holding shares in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual members holding shares in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual members holding shares in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

i. Login method for e-voting for Physical shareholders and shareholders other than individual holding in Demat form.

1) The members should log on to the e-voting website www.evotingindia.com
2) Click on "Shareholders/Members" module.
3) Now Enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first time user follow the steps given below:

	For members holding shares in both demat and physical form other than individual members
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● 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
Dividend Bank Details **OR** Date of Birth (DOB)	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 (5).

ii. After entering these details appropriately, click on “SUBMIT” tab.

iii. 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.

iv. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

v. Click on the EVSN for the relevant **Garg Furnace Limited** on which you choose to vote.

vi. 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.

vii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

viii. 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.

ix. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

x. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

xi. If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xii. Members can also cast their vote using CDSLs mobile app “m-Voting available” for android, Apple and Windows based mobiles. The m- Voting app can be downloaded from Google Play Store, App Store and the Windows Phone store respectively. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.

xiii. Note for Non-Individual Shareholders and Custodians- Remote e-voting:

- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts Linked in the login 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.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; gargfurnace@yahoo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no.1800 22 55 33.

22. **Note to Shareholders:** SEBI Circular – Special Window for Re-lodgement of Transfer Requests of Physical Shares

Pursuant to the Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2025/85 dated July 02, 2025, shareholders are hereby informed that SEBI has introduced a Special Window for re-lodgement of transfer requests for physical shares.
In accordance with the circular:
A special window is being provided to shareholders who had submitted transfer requests for physical shares between April 1, 2019 and March 31, 2021, which were returned/rejected due to regulatory restrictions on physical transfers.

Such shareholders may now re-lodge their transfer requests with the concerned listed company or its Registrar and Share Transfer Agent (RTA) between July 7, 2025 and January 6, 2026.

For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

As required by Section 102 of the Companies Act, 2013 (the Act), Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ("Listing Regulations") as amended from time to time and Secretarial Standards 2 on General Meeting issued by the Institute of Company Secretaries of India, the following Explanatory Statement sets out all material facts relating to the Special business mentioned under Respective 3, 4 and 5 of the accompanying Notice dated **31st July, 2026:-**

Item No. 3

The Company is required under Section 148 of the Act to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration M/s Anju Pardesi, Cost Accountants (Firm's Registration No.: 003448) of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31 March, 2027, at a remuneration of Rs. 25000.00 plus reimbursement of out-of- pocket expenses.

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending **31 March, 2027**.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

Item No. 4

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), all Related Party Transactions will require prior approval of Audit Committee, all Material Related Party Transaction ('RPT') as per the Schedule XIII of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall require approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(zb) definition of related party of the Listing Regulations also covers, any person or entity forming a part of the promoter or promoter group of the listed entity; or(b) any person or any entity, holding equity shares:(i) of twenty per cent or more; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party. The amended Regulation 2(1)(zc) of the Listing

Regulations has also enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

The annual consolidated turnover of the Company for the financial year 2025-26 is INR 295.12 Crores. Accordingly, any transaction(s) by the Company with its related party exceeding INR 29.51 Crores (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members will be required for the same.

The Management has provided the Audit Committee with the relevant details, as required under law, of the proposed RPTs including material terms. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the above-mentioned RPTs with Related Parties. The Committee has noted that the said transactions will be at an arm's length basis and in the ordinary course of business of the Company. Accordingly, basis the approval of the Audit Committee, the Board of Directors recommends the resolution contained in Item No. 4 of the accompanying Notice to the shareholders for approval.

Information pursuant SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/1055 dated November 11, 2024

Sr. No.	**Description**	**Details**			
1.	Details of Summary of information provided by the management to the Audit Committee				
a.	Name of the related party and its relationship with the listed entity or its subsidiary,	Vaneera Industries Limited (Formerly Known as Vaneera Industries Private Limited) (Promoter Group Company)	Devinder Garg (Managing Director and Promoter)	Vaneera Garg (Whole Time Director and Promoter)	Toshak Garg (Managing Director and Promoter)
b.	Nature of its concern or interest (financial or otherwise);	Financial	Financial	Financial	Financial
c.	Name of the director or key managerial personnel who is related, if any and nature of relationship	Sh. Daksh Garg and Smt. Nivedita Garg is son and daughter of Sh. Devinder Garg	Managing Director and Promoter of the Company	Whole Time Director and Promoter of the Company	Managing Director and promoter of the Company
d.	Type, material terms, and particulars of contracts or arrangement	The transaction involves Purchase of Goods Sales of Goods Rent Received	The transaction involves Remuneration and unsecured loan received are	The transaction involves Remuneration and unsecured loan received are done	The transaction involves Remuneration and unsecured

		Lease of Machinery Acquisition of shares Corporate Guarantee Received given to related party is charged at prevailing market rates at arm's length basis and in the Ordinary Course of Business.	done at prevailing market rates at arm's length basis and in the Ordinary Course of Business.	at prevailing market rates at arm's length basis and in the Ordinary Course of Business.	loan received are done at prevailing market rates at arm's length basis and in the Ordinary Course of Business.
e.	Tenure of the proposed transaction (particular tenure shall be specified	Approval is for Financial year 2026-2027	Approval is for Financial year 2026-2027	Approval is for Financial year 2026-2027	Approval is for Financial year 2026-2027
f.	Value of proposed Transaction (Rs. In Crore)	Aggregate value of transactions should not exceed Rs. 200.00 crore.	Aggregate value of transactions should not exceed Rs. 1.00 crore.	Aggregate value of transactions should not exceed Rs. 1.00 crore.	Aggregate value of transactions should not exceed Rs. 1.00 crore.
g.	Percentage of annual consolidated turnover of the Company as on March 31, 2026, that is represented by proposed RPT	148% (approx.) of the annual consolidated turnover of the Company.	29512% (approx.) of the annual consolidated turnover of the Company.	29512% (approx.) of the annual consolidated turnover of the Company.	29512% (approx.) of the annual consolidated turnover of the Company.
h.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders	The Company conducts transactions with related parties in its ordinary course of business at prices which are at arm's length. The Company uses methodologies as per Organization for Economic Co-operation and Development guidelines for establishing arm's length pricing. The pricing for such transactions are established generally considering market price for comparable transactions with unrelated parties where available or on cost plus reasonable margin basis.			

2.	Justification for why the proposed transaction is in the interest of the listed entity;	The Related party transactions are at arm's length basis for maximizing the yield on available surplus funds which is in the interest of the Company.	The Related party transactions are at arm's length basis for maximizing the yield on available surplus funds which is in the interest of the Company.	The Related party transactions are at arm's length basis for maximizing the yield on available surplus funds which is in the interest of the Company.	The Related party transactions are at arm's length basis for maximizing the yield on available surplus funds which is in the interest of the Company.
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:				
a.	details of the source of funds in connection with the proposed transaction	Internal Accruals	Not Applicable	Not Applicable	Not Applicable
b.	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments – nature of indebtedness; – cost of funds; and – tenure	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c.	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable	Not Applicable	Not Applicable	Not Applicable
d.	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	The Related party transactions are for working capital needs and general corporate purposes.	Not Applicable	Not Applicable	Not Applicable

4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5.	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.			

The ceiling on the amounts of the transactions specified as above would mean the transactions entered into and the remaining outstanding at any point of time.

The Members may note that in terms of the provisions of the Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions under Item No. 4.

None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives is in any way, concerned or interested, financially or otherwise, in the proposed ordinary resolution as set out at Item No. 4 of the notice.

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

Item No. 5

Issue of warrants convertible into equity shares to the proposed allottees, on a preferential basis

In accordance with section 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 (the "**Act**"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the SEBI ICDR Regulations and the Listing Regulations, as amended from time to time, subject to the requisite approvals, consents and permissions as may be necessary or required from regulatory or other appropriate authority approval of shareholders of the Company by way of special resolution is required to issue Convertible Warrants into Equity Shares by way of private placement on a preferential basis to the proposed allottees.

The information required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 of Companies Act, 2013 and Chapter V of the SEBI ICDR Regulations, and other relevant details in respect of the proposed Preferential Issue of Convertible Warrants into Equity Shares are as under:

a) Particulars of the Preferential Issue including date of passing of Board resolution

The Board at their meeting held on Friday, July 31, 2026, have subject to the approval of the Members of the Company and such other approvals as may be required, approved to issue and allot in one or more tranches, upto 13,98,000 (Thirteen Lakhs Ninety Eight Thousand) Warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of Rs. 10/- each at a price of Rs. 126.50/- (Rupees One Hundred Twenty Six Point Five Zero only) including premium of ₹ 116.50/- per share for each Warrant payable in cash aggregating upto ₹17,68,47,000/- (Rupees Seventeen Crores Sixty Eight Lakhs Forty Seven Thousand Only) (“**Total Issue Size**”), within a period of 18 (Eighteen) months from the date of allotment of Warrants, to persons / entity enlisted below (“Warrant Holder”/ “Proposed Allottees”) belonging to promoter & promoter group and non-promoter Category of the Company on a preferential basis (“Preferential Issue”), for consideration payable through electronic means/ banking channels and in such manner and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the terms of this Preferential Issue, provisions of SEBI ICDR Regulations, or other applicable laws in this respect:

S. No.	Name of Proposed Allottees	Category (Promoter/ Non - Promoter)	Maximum number of Convertible Warrants proposed to be allotted
	Davinder Garg	Promoter	3,00,000
	Vaneera Garg	Promoter	3,00,000
	Toshak Garg	Promoter	3,00,000
	Daksh Garg	Promoter	3,00,000
	Sangeeta Pareekh	Non - Promoter	51,000
	Securocrop Securities India Private Limited	Non - Promoter	1,02,000
	Saket Agarwal	Non - Promoter	30,000
	Vanshika Sharma	Non - Promoter	3,000
	Manit Sawhney	Non - Promoter	12,000

b) Kinds of securities offered and the price at which security is being offered, and the total/ maximum number of securities to be issued

The Company proposes to offer, issue and allot, in one or more tranches, upto 13,98,000 (Thirteen Lakhs Ninety Eight Thousand Only) convertible warrants into equity shares (“Warrants”), at a price of ₹ 126.50/- (Rupees One Hundred Twenty Six Point Five Zero Only) per warrant, aggregating upto ₹17,68,47,000/- (Rupees Seventeen Crores Sixty Eight Lakhs Forty Seven Thousand Only) (“**Total Issue Size**”), by way of a Preferential Issue.

c) Purpose/Object of the preferential issue

The Company needs to raise additional funds to meet out the Capital Expenditure for business expansion, working capital requirement and other general corporate purposes of the Company. Considering raising funds through preferential issue to be most cost and time effective way for raising additional capital the Board of Directors of the Company proposed to raise upto ₹17,68,47,000/- (Rupees Seventeen Crores Sixty Eight Lakhs Forty Seven Thousand Only) through issue of warrants convertible into equity shares on preferential basis to the person/Entity belong to Promoter & Promoter Group and non-promoter Category of Company. The Company shall utilize the proceeds from the preferential issue of warrants convertible into equity shares to meet out the Capital

Expenditure for business expansion, working capital requirement and other general corporate purposes of the Company which shall enhance the business of the Company.

d) Maximum number of securities to be issued and price at which securities being offered

The Company proposes to offer, issue and allot, in one or more tranches, 13,98,000 (Thirteen Lakhs Ninety Eight Thousand) convertible warrants into equity shares ("Warrants"), at a price of ₹ 126.50/- (Rupees One Hundred Twenty Six Point Five Zero Only) per warrant, aggregating upto ₹17,68,47,000/- (Rupees Seventeen Crores Sixty Eight Lakhs Forty Seven Thousand Only) by way of a Preferential Issue.

The price for the allotment of shares to be issued is based on the minimum price determined in accordance with Chapter V of SEBI ICDR Regulations is fixed at ₹ 126.50/- (Rupees One Hundred Twenty Six Point Five Zero Only) per Convertible Warrant.

e) Basis on which the price has been arrived at along with report of the registered valuer:

The Equity shares of the Company are listed on BSE Limited ("BSE") and are frequently traded as per provisions of SEBI ICDR Regulations. Further, in terms of Regulation 166A of SEBI (ICDR) Regulations, the said preferential issue, will not result in allotment of more than five per cent of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, hence valuation report from an independent registered valuer for determining the price is not applicable.

In terms of the applicable provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the minimum price for the preferential issue of each equity shares to be issued shall be a price, being higher of the following:

The volume weighted average price of the Equity Shares of the Company quoted on BSE, during the 90 trading days preceding the Relevant Date, i.e. ₹126.15/- per Equity shares;
or
The volume weighted average price of the Equity Shares of the Company quoted on BSE, during the 10 trading days preceding the Relevant Date i.e. ₹117.30/- per Equity shares.

The Board has fixed the issue price as ₹126.50/- per equity share and the said price fixed by the Board is highest of the above two prices calculated in terms of the ICDR Regulation and other applicable provisions.

We also confirm that the Articles of Association do not contain any restrictive provision for Preferential Allotment and doesn't contain any article which provides for particular method for determination of price in case of preferential issue.

f) Relevant Date

The relevant date as per the Regulation 161 of SEBI ICDR Regulations, for determination of minimum price for the issuance of equity shares of the Company is Thursday, July 30, 2026, the date that is 30 (Thirty) days prior to the date of shareholders meeting i.e. on Saturday, August 29, 2026, to approve the proposed Preferential Issue;

g) The class or classes of persons to whom the allotment is proposed to be made

The allotment is proposed to be made to the proposed allottees as mentioned at point no. (h) below.

h) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issues that may be held by them and change in control, if any, in the issuer consequent to the preferential issues

Sr. No.	Name of the Proposed Allottees	Category	Ultimate Beneficial Owner	Pre- Issue Shareholding		Number of Warrants to be issued	Post- Issue Shareholding (Presuming full conversion of Warrants)#	
				No. of Shares	% of holding		No. of Shares	% of holding
1.	Davinder Garg	Promoter	Not Applicable	8,54,290	12.55%	3,00,000	11,54,290	14.07%
2.	Vaneera Garg	Promoter	Not Applicable	17,68,510	25.97%	3,00,000	20,68,510	25.21%
3.	Toshak Garg	Promoter	Not Applicable	6,16,951	9.06%	3,00,000	9,16,951	11.17%
4.	Daksh Garg	Promoter	Not Applicable	6,10,550	8.97%	3,00,000	9,10,550	11.10%
5.	Sangeeta Pareekh	Non-Promoter	Not Applicable	3,00,000	4.41%	51,000	3,51,000	4.28%
6.	Securocrop Securities India Private Limited	Non-Promoter	Not Applicable	3,00,000	4.41%	1,02,000	4,02,000	4.90%
7.	Saket Agarwal	Non-Promoter	Not Applicable	1,45,000	2.13%	30,000	1,75,000	2.13%
8.	Vanshika Sharma	Non-Promoter	Not Applicable	10	0.00%	3,000	3,010	0.04%
9.	Manit Sawhney	Non-Promoter	Not Applicable	-	-	12,000	12,000	0.15%

#These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis after Preferential Allotment of warrants convertible into equity shares i.e. ₹8,20,67,000 (Rupees Eight Crore Twenty Lakhs Sixty Seven Thousand Only) divided into 82,06,700 (Eighty Two Lakh Six Thousand Seven Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.

i) Intention of the promoters/ directors/ or key managerial personnel to subscribe to the offer

Except as following, none of the promoters, directors or key management personnel of the issuer intent to subscribe to the offer.

Sr. No.	Name of the Proposed Allottees	Promoter/ Director/ KMP	Maximum Number of warrants proposed to be Allotted
1. 1	Davinder Garg	Promoter & Managing Director	3,00,000
2. 2	Vaneera Garg	Promoter & Director	3,00,000
3. 3	Toshak Garg	Promoter & Managing Director	3,00,000
4. 4	Daksh Garg	Promoter	3,00,000

j) Time frame within which the Preferential Issue shall be completed.

As required under the SEBI ICDR Regulations, the preferential issue/allotment of Warrants shall be completed within a period of 15 days of passing the special resolution or such extended time, as may be approved by the Regulatory Authorities, from the date of approval of the members to the preferential issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any Regulatory Authority or Exchanges or any Authority, the allotment shall be completed within a period of 15 days from the date of receipt of such approval.

k) Shareholding pattern pre and post preferential issue would be as follows:

The shareholding pattern of the Company before and after the proposed preferential issue and open offer to 'Promoter & Promoter Group' and 'Non-Promoter category' is likely to be as follows:

Sr. No.	Category	Pre-Issue Shareholding		Post Issue Shareholding (Presuming full conversion of warrants)#	
		No. of equity shares held	% of Shares	No. of equity shares held	% of Shares
A	**Promoter & Promoter Group Shareholding**				
A1	Indian Promoter	38,74,901	56.91%	50,74,901	61.84%
A2	Foreign Promoter	-	-	-	-
	Sub Total (A)	**38,74,901**	**56.91%**	**50,74,901**	**61.84%**
B	**Public Shareholding**				
B1	Institutions	0	0.00%	0	0.00%
B2	Institutions (Domestic)	0	0.00%	0	0.00%
	Mutual Funds	200	0.00%	200	0.00%
B3	Institutions (Foreign)	0	0.00%	0	0.00%
B4	Central Government/ State Government(s)/ President of India	0	0.00%	0	0.00%
B5	Non-Institutions				0.00%

	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	11,18,693	16.43%	11,18,693	13.63%
	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	8,99,704	13.21%	9,95,704	12.13%
	Non Resident Indians (NRIs)	64,943	0.95%	64,943	0.79%
	Bodies Corporate	7,51,715	11.04%	8,53,715	10.40%
	Any Other (specify)	98,544	1.45%	98,544	1.20%
	Sub Total B= B1+B2+B3+B4+B5	**29,33,799**	**43.09%**	**31,31,799**	**38.16%**
	Total Shareholding(A+B)	**68,08,700**	**100.00%**	**82,06,700**	**100.00%**

#These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis after Preferential Allotment of warrants convertible into equity shares i.e. ₹8,20,67,000 (Rupees Eight Crore Twenty Lakhs Sixty Seven Thousand Only) divided into 82,06,700 (Eighty Two Lakh Six Thousand Seven Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.

l) Change in Control, if any, in the Company consequent to the preferential issue:

There will not be any change in the composition of the Board, the existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment. However, there will be corresponding changes in the shareholdings of the Promoter and Promoter Group & Non-Promoter category consequent to preferential allotment.

m) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

During the year, the Company has not made any allotments on preferential basis till date.

n) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not Applicable. Since the allotment of Warrants pursuant to preferential issue is made for consideration payable in cash.

o) Principal terms of assets charged as securities:

Not applicable.

p) Material terms of raising such securities:

The Equity Shares being issued pursuant to conversion of warrants shall rank pari-passu with the existing Equity Shares of the Company in all respects, including dividend and voting rights.

q) Lock-In Period & Transferability:

The Warrants and the equity shares to be allotted pursuant to the exercise of the Warrants issued on Preferential Issue shall be subject to 'lock-in' for such period(s), as may be applicable to each of the investor(s), in accordance with the provisions of Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

Further the entire pre-preferential allotment shareholding of the allottees if any shall be locked-in from the relevant date up to a period of 90 (Ninety) trading days from the date of allotment of such securities.

r) The current and proposed status of the allottee(s) post Preferential Issue namely, promoter or non-promoter

Sl. No.	Name of Allottee	Current Status	Post Status
1.	Davinder Garg	Promoter	Promoter
2.	Vaneera Garg	Promoter	Promoter
3.	Toshak Garg	Promoter	Promoter
4.	Daksh Garg	Promoter	Promoter
5.	Sangeeta Pareekh	Non-Promoter	Non-Promoter
6.	Securocrop Securities India Private Limited	Non-Promoter	Non-Promoter
7.	Saket Agarwal	Non-Promoter	Non-Promoter
8.	Vanshika Sharma	Non-Promoter	Non-Promoter
9.	Manit Sawhney	Non-Promoter	Non-Promoter

s) The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue

Sr. No.	Name of proposed allottees	Percentage of post preferential issue (Presuming full conversion of Warrants)#
1.	Davinder Garg	14.07%
2.	Vaneera Garg	25.21%
3.	Toshak Garg	11.17%
4.	Daksh Garg	11.10%
5.	Sangeeta Pareekh	4.28%
6.	Securocrop Securities India Private Limited	4.90%
7.	Saket Agarwal	2.13%
8.	Vanshika Sharma	0.04%
9.	Manit Sawhney	0.15%

#These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis after Preferential Allotment of warrants convertible into equity shares

i.e. ₹8,20,67,000 (Rupees Eight Crore Twenty Lakhs Sixty Seven Thousand Only) divided into 82,06,700 (Eighty Two Lakh Six Thousand Seven Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.

t) Amount which the company intends to raise by way of such securities

Aggregating up to ₹17,68,47,000/- (Rupees Seventeen Crores Sixty Eight Lakhs Forty Seven Thousand Only).

u) Certificate of Practicing Company Secretary

The copy of certificate from Mrs. Pooja Damir Miglani, Practicing Company Secretary, Proprietor of M/s PDM & Associates (C.P. No. 25003), as required under regulation 163(2) of the SEBI ICDR Regulations, shall be placed before the Annual General Meeting of the shareholders through electronic means, to be held at 1:00 P.M. at Kanganwal Road V.P.O. Jugiana G T. Road, Ludhiana-141120. The copy of said certificate may be accessed on the Company's website, i.e. https://gargfurnacelimited.com

v) Other disclosures/Undertaking

i. The Company, its Promoters and its Directors are not categorized as willful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India and have not been categorized as a fraudulent borrower. Consequently, the disclosures required under Regulation 163(1) (i) of the SEBI ICDR Regulations is not applicable.

ii. None of its directors or promoters are fugitive economic offenders as defined under the SEBI ICDR Regulations.

iii. The Company does not have any outstanding dues to SEBI, Stock Exchanges or the depositories.

iv. The Company has obtained the Permanent Account Numbers (PAN) of the proposed allottes, except those allottees which may be exempt from specifying PAN for transacting in the securities market by SEBI before an application seeking in-principle approval is made by the Company to the stock exchange(s) where its equity shares are listed;

v. The Company shall be making application seeking in-principle approval to the stock exchange(s), where its equity shares are listed, on the same day when this notice will be sent in respect of the general meeting seeking shareholders' approval by way of special resolution;

vi. The Company is in compliance with the conditions for continuous listing.

vii. Since the Equity Shares have been listed on the recognized stock exchanges for a period of more than 90 trading days prior to the Relevant Date, the Company is not required to re-compute the price in terms of Regulation 163(1)(g) and Regulation 163(1)(h) of SEBI ICDR Regulations.

viii. None of the proposed allottees have sold or transferred any Equity Shares during the 90 trading days preceding the relevant date.

ix. The Equity Shares held by the proposed allottees in the Company are in dematerialized form only.

x. None of the proposed allottees have previously subscribed to any warrants of the Company during the last one year.

xi. The Company has complied with the applicable provisions of the Companies Act, 2013. The provisions of Section 62 of the Companies Act, 2013 (as amended from time to time) and the SEBI ICDR Regulations provide, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares are required to be first offered to the existing members of the Company for subscription unless the members decide otherwise through a Special Resolution.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors recommends the passing of the resolution as set out in Item No. 5 as Special Resolution for your approval.

Except, Mr. Davinder Garg, Mrs. Vaneera Garg, Mr. Toshak Garg and Mr. Daksh Garg, belonging to Promoter of Company, none of the Directors, Key Managerial Personnel or their relatives thereof are in any way financially or otherwise concerned or interested in the passing of this Special Resolution as set out at Item No. 5 of this Notice.

For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

ANNEXURE – A

Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings regarding Director seeking appointment/re-appointment as set out in this notice furnished below:

Particulars	Retire by rotation
Name	Smt. Vaneera Garg
DIN	01283990
Designation	Whole Time Director
Date of birth	25/05/1966
Age	59 years
Date of appointment	14/11/2015
Qualification	B.A.
Expertise in specific functional areas	Business Experience of More than 10 years
Directorship in other Companies	Nil
Chairman/Member of committees of other Companies	Nil
Terms of appointment	She is liable to retire by rotation
Remuneration for the F.Y. 2025-2026	Rs. 18,00,000/- (Rupees Eighteen Lakhs Only) per annum
Remuneration sought to be paid:	Rs. 18,00,000/- (Rupees Eighteen Lakhs Only) per annum
Disclosure of relationship between directors inter-se:	Smt. Vaneera Garg is wife of Sh. Devinder Garg and Mother of Mr. Toshak Garg
Shareholding:	17,68,510 Equity Shares
No. of Board Meetings attended during the year:	15 out of 15
List of Other Directorships on other Board along with listed entities from which the person has resigned in the past three years:	Nil
List of Committee Membership/ Chairmanship on other Board along with listed entities from which the person has resigned in the past three years:	Nil
List of listed entities she has resigned from last three years	Nil

For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

DIRECTOR'S REPORT

Dear Members,

Your Directors present the 53rd Annual Report together with the audited accounts of the Company for the financial year ended 31st March 2026.

FINANCIAL PERFORMANCE:

The financial performance (Standalone and Consolidated) of the company for the financial year under review is as under:-

(Amount in Lakhs)

	Standalone		Consolidated
Particulars	**2025-26**	**2024-25**	**2025-26**
Operating Income	28980.01	26331.51	29512.08
Profit before tax & Exceptional items	1106.91	763.59	1148.02
Exceptional Items	0.00	0.00	0.00
Profit before tax	1106.91	763.59	1148.02
Provision for tax -Current Tax -tax related to earlier years	0.00	0.00	0.00
-Deferred Tax Asset	77.64	0.00	74.66
Less : Mat Credit Entitlement/Current Tax	0.00	0.00	0.00
Profit after Tax	1029.27	763.59	1059.01
Prior year Tax adjustments / Depreciation to Reverse as per Schedule – II	0.00	0.00	0.00
Re-measurement of define benefit liability	0.77	5.15	0.77
APPROPRIATIONS			
Transfer to General Reserve	1899.24	1899.24	0.00
Balance carried over to Balance Sheet	1029.27	763.59	1044.50

INDIAN ACCOUNTING STANDARDS:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs (MCA) under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

OPERATIONS AND STATE OF COMPANY AFFAIRS:

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 which form an integral part of this Annual Report.

DIVIDEND:

During the year under review, your Directors do not recommend any dividend for the financial year ended March 31, 2026 to conserve the resources.

TRANSFER TO RESERVE:
During the year under review, the Company has not transferred any amount to the General Reserve. The General Reserve of the Company stood at Rs. 1899.24 Lakhs as at 31.03.2026.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:
Since there was no unpaid/unclaimed dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

PUBLIC DEPOSIT:
During the year under review, the Company has not accepted any Public Deposit within the meaning of Section 73 of the Companies Act, 2013 and rules made there under. There is no outstanding/unclaimed deposit from the public. However, the information as required under Rule 8 of the Companies (Accounts) Rules, 2014 is given hereunder:-

(i) Deposits accepted during the year: Nil
(ii) Deposits remained unpaid or unclaimed as at the end of the year: Nil
(iii) Default in repayment of deposits and deposits which are not in compliance with the Requirements of Chapter V of the Companies Act, 2013: not applicable.

SHARE CAPITAL:
As on March 31, 2026, the Authorized Share Capital of the Company was Rs. 10,00,00,000/- divided into 1,00,00,000 Equity Shares having face value of Rs. 10/- each. Further as on March 31, 2026, the issued, paid up and subscribed Share capital of the Company stood at Rs. 6,80,87,000/- divided into 68,08,700 Equity Shares having face value of Rs. 10/- each.

During the year under review, The Company has allotted 18,00,000 Equity Shares in the Board Meeting held on 15.07.2025 pursuant to conversion of warrants. The Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity. Further there was no public issue, rights issue, bonus issue etc. during the year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY:
The Company, during the year, has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties under the provisions of Section 185 and 186 of the Companies Act, 2013.

Information regarding loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are detailed in the Financial Statements at Note No. 4.

CHANGE IN THE NATURE OF BUSINESS:
During the year under review, there was no change in the nature of the business of the Company.

DIRECTORS:
As on March 31, 2026, the Board of Directors consists of 2 (Two) Managing Directors, 1 (One) Whole Time Director and 3 (Three) Non-Executive Independent Directors.

WOMAN DIRECTOR:

In terms of the provisions of Section 149 of the Companies Act, 2013, your Company has Mrs. Vaneera Garg, Ms. Shruti Gupta, Ms. Mehak Jain and Ms. Amandeep Kaur as Woman Directors on the Board as on March 31, 2026.

CHANGES IN THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Ms. Mehak Jain 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 14.08.2025, with effect from 14.08.2025, in accordance with provisions of section 161 of the Companies Act, 2013.

   Mrs. Mehak Jain is not disqualified from being appointed as Director in terms of Section 164 of the Act. As per the recommendation of Nomination and Remuneration Committee and based on the performance evaluation, the Board had recommended the appointment of Mrs. Mehak Jain as an Independent Director of the Company for a period of five years w.e.f. 14.08.2025 and Shareholders approved the appointment as an Independent Director in 52nd Annual General Meeting of the Company.

   The Company had also received a declaration from Mrs. Mehak Jain declaring that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

   In the opinion of the Board, Mrs. Mehak Jain fulfills the conditions required to be fulfilled for being appointed as an Independent Director of the Company as per the provisions of Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

b. Mrs. Purti Katyal has resigned as Independent Director w.e.f. 14.08.2025 on the Board of the Company.

RETIREMENT BY ROTATION:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Smt. Vaneera Garg (DIN: 01283990) Whole Time Director of the Company, retires from the Board by rotation this year and being eligible, offers herself for re-appointment. The Information as required to be disclosed a per regulation as applicable of SEBI (LODR) Regulations 2015 in case of re- appointment of the director is provided in the Notice of the ensuing annual general meeting.

In compliance with Regulation 36(3) of Listing Regulations and Secretarial Standards information about the Director proposed to be appointed/re-appointed is attached along with the Notice calling the ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL:

The following persons are the Key Managerial Personnel (KMP's) of the Company as on March 31, 2026 in terms of provisions of Section 203 of the Companies Act, 2013 and rules made there under:-

1. Mr. Devinder Garg – Chairman and Managing Director
2. Mrs. Vaneera Garg - Whole Time Director
3. Mr. Toshak Garg – Managing Director
4. Mr. Gurmeet Singh Battu – Chief Financial Officer
5. Mrs. Supreena Tagra – Company Secretary and Compliance Officer

DECLARATION OF INDEPENDENT DIRECTORS:

In terms of Section 149(7) of the Companies Act, 2013, the Company has received necessary declaration from all the Independent Directors of the Company. All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act, Regulation 16(1)(b) of the Listing Regulations along with the declaration that they have registered themselves with the Independent Director’s Database maintained by the IICA as provided in sub-rule (3) rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company’s Code of Business Conduct & Ethics.

MEETINGS OF THE BOARD AND COMMITTEES:

During the year under review, 15 meetings of the board were convened and held on 15.05.2025, 30.05.2025, 27.06.2025, 15.07.2025, 08.08.2025, 14.08.2025, 15.09.2025, 25.09.2025, 14.11.2025, 24.11.2025, 28.11.2025, 26.12.2025, 03.02.2026, 14.02.2026 and 09.03.2026. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details in respect to the Attendance are provided in the Corporate Governance Report forming part of this Report.

Information on the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders’ Relationship Committee and Risk Management Committee and meetings of those Committees held during the year is given in the Corporate Governance Report.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

The Company’s Independent Directors held their meeting on 12.02.2026 without the attendance of Non Independent Directors and members of the management. All Independents Directors were present at the meeting and, they:

1 Reviewed the performance of non-Independent directors and the Board as a whole;
2 Assessed the quality and timeliness of the flow of information between the Company’s Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

BOARD EVALUATION:

Pursuant to the Section 134(3) of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) regulations, 2015, the Company has devised a policy for performance evaluation of Independent Directors and the Board. The Board has carried out an annual evaluation of its own performance, performance of its Committees as well as directors individually. The Board of Directors formally assess their own performance based on parameters which, inter alia, include performance of the Board on deciding long term strategies, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc. The Board was satisfied with the evaluation process and approved the evaluation results thereof.

CORPORATE GOVERNANCE:

The Company is committed to follow the best Corporate Governance practices, including the requirements under the SEBI Listing Regulations and the Board is responsible to ensure the same, from time to time. The Company has duly complied with the Corporate Governance requirements. Further a separate section on Corporate Governance in compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V of the said regulations along with a Certificate from a Practicing Company Secretary confirming that the Company is and has been compliant with the conditions stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:-

a) that in the preparation of the Annual Accounts for the year ended on 31st March, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) That the directors have 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 as at 31st March, 2026 and of the profit of the Company for the year ended on that date;

c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) that annual accounts have been prepared on a going concern basis.

e) that 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) that 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.

ANNUAL RETURN:

The Annual Return of the Company, pursuant to sub-section 3 (a) of Section 134 and the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2025-2026 in the Form MGT-7 has been uploaded on Company's website at https://gargfurnacelimited.com/

PARTICULARS OF CONTRACTS AND ARRANGEMENT MADE WITH RELATED PARTIES:

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Further, the members of the Company in their 52nd Annual General Meeting held on 15.09.2025, had approved the material-related party transaction by Garg Furnace Limited with its related parties for the financial year 2025-2026. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is annexed as **Annexure-1**.

The details of all the Related Party Transactions form part of Note No. 39 to the standalone financial statements attached to this Annual Report.

Your Company has framed a Policy on Related Party Transactions for purpose of identification and monitoring of such transactions in line with the requirements of the Companies Act, 2013 and Listing Regulations and the said policy is available www.gargfurnacelimited.com

We would like to inform you that during the year, no material related party transactions made by the Company with Promoters, directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. Pursuant to Listing Regulations, the resolution for seeking approval of the shareholders on material related party transactions is being placed at the AGM.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:
The Company is having adequate internal control systems and procedures which commensurate with the size of the Company. The Company is having Internal Audit Department which ensures that the internal control systems are properly followed by all concerned departments of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:
There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

CORPORATE SOCIAL RESPONSIBILITY:
The Company is covered under the purview of the requirements of Section 135 of the Companies Act, 2013 and the rules made thereon.

CSR Policy

The Board of Directors of the Company has put in place a CSR policy in accordance with the provisions of Section 135 of the Companies Act, 2013. The CSR Policy of the Company can be downloaded at website of the Company at https://gargfurnacelimited.com/

Further Annual Report on the CSR activities of the Company for the Financial Year 2025-2026 is attached herewith as **Annexure-2**

SECRETARIAL AUDITOR AND THEIR REPORT:
Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under and Regulations 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has been appointed M/s PDM & Associates, (membership number: 25003), Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2025-2026.

M/s PDM & Associates, (membership number: 25003), Practicing Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2026. The Secretarial Audit Report in Form No. MR-3 for the financial year ended 31st March, 2026 under the Act, read with Rules made thereunder, is annexed herewith as **Annexure 3** and forms an integral part of this report.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in his Report for the year under review and therefore, does not call for any further comments.

PARTICULARS OF EMPLOYEES:

The information required pursuant to the provisions of Section 197 (12) read with rule 5 (1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as **Annexure- 4** and forms part of this report.

AUDIT COMMITTEE:

The Company has constituted an Audit Committee pursuant to Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and SEBI (LODR), Regulations, 2015.

As on 31.03.2026, the Audit Committee consists Ms. Amandeep Kaur (Non-Executive Independent Director) as Chairperson, Ms. Mehak Jain (Non-Executive - Independent Director) as Member and Ms. Shruti Gupta (Non-Executive Independent Director) as Member. The details in respect to the Attendance, Powers, Roles, and Terms of Reference etc. are provided in the Corporate Governance Report forming part of this Report.

NOMINATION AND REMUNERATION COMMITTEE AND POLICY:

As required u/s 178 of the Companies Act 2013 and SEBI (LODR), Regulations, 2015, the Company has constituted nomination & remuneration committee. As on 31.03.2026, the committee consists of Ms. Amandeep Kaur (Non-Executive Independent Director) as Chairperson, Ms. Mehak Jain (Non-Executive - Independent Director) as Member and Ms. Shruti Gupta (Non-Executive Independent Director) as Member. Further, on the recommendation of Nomination and Remuneration Committee, the board has already framed a policy for selection and appointment of Directors, Key Management Personnels & Senior Management and their remuneration. The details in respect to the Attendance, Powers, Roles, and Terms of Reference etc. are provided in the Corporate Governance Report forming part of this Report. The Nomination and Remuneration Policy is available on the Company's website and the web link for the same is www.gargfurnacelimited.com

As mandated by proviso to Section 178(4) of the Companies Act, 2013, salient features of Nomination and Remuneration Policy is annexed as **Annexure-5** hereto and forms part of this report.

STAKEHOLDER RELATIONSHIP COMMITTEE:

As required u/s 178 of the Companies Act 2013 and SEBI (LODR), Regulations, 2015, the Company has constituted stakeholder relationship committee. As on 31.03.2026, the committee consists of Ms. Amandeep Kaur (Non-Executive Independent Director) as Chairperson, Ms. Mehak Jain (Non-Executive - Independent Director) as Member and Ms. Shruti Gupta (Non-Executive Independent Director) as Member. The details in respect to the Attendance, Powers, Roles, and Terms of Reference etc. are provided in the Corporate Governance Report forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As on 31.03.2026, the Corporate Social Responsibility Committee of the Company consists of Ms. Amandeep Kaur (Non-Executive Independent Director) as Chairperson, Ms. Mehak Jain (Non-Executive - Independent Director) as Member and Ms. Shruti Gupta (Non-Executive Independent

Director) as Member. The Composition and terms of Reference of the Corporate Social Responsibility Committee are in line with Section 135 of the Companies Act, 2013 and rules made thereunder and are provided in the Corporate Governance Report forming part of this Report.

MAINTENANCE OF COST RECORDS:

Pursuant to section 148 of the Companies Act, 2013 and Rules made thereunder, Board of Directors had, on the recommendation of the Audit Committee, appointed M/s Anju Pardesi, (Firm Registration Number: 003448) Cost Accountants, to audit the cost accounts of the Company for the financial year 2026-27 at a remuneration of Rs. 25000.00 plus service tax, out-of pocket and travel and living expenses, subject to ratification by the shareholders at ensuing annual general meeting. Accordingly, a resolution seeking members' ratification for the remuneration payable to cost auditor is included in the Notice convening the annual general meeting.

The Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

REPORTING OF FRAUD:

There are no frauds on or by your Company, which are required to be reported by the Statutory Auditors of your Company.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in our company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended 31st March, 2026 the Committee did not receive any complaint pertaining to sexual harassment and there is no complaint pending as on the date of beginning of this Financial year and as on the date of the closure of this Financial year. Consequently, there are NIL cases disposed off during the year and NIL cases pending for more than ninety days.

COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961:

During the year under review, the Company has complied with the provisions relating to the Maternity Benefit Act 1961.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and analysis Report as required under Regulation 34 and Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report.

LISTING AGREEMENT:

To streamline the provisions of the Listing Agreement and its better enforceability the Securities and Exchange Board of India (SEBI), on September, 2, 2015 issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The said Regulation became effective from 1st December, 2015. In compliance of the said Regulations, the company has entered into Listing Agreement with the BSE Ltd. on 23rd February, 2016.

STATUTORY AUDITORS & AUDITOR'S REPORT:

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s. Ashwani & Associates, Chartered Accountants, (Firms Registration No. 000497N) were re-appointed as Statutory Auditors of the Company in the 52nd Annual General Meeting (AGM) to hold office up to the conclusion of the 57th AGM for a further period of five consecutive years to conduct the audit of the company for financial years commencing from 31.03.2026 to 31.03.2030. They are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Statutory Auditors of the Company have submitted the Auditor's Report on the Financial Statements of the Company for the Financial Year ended March 31, 2026. The Auditor's Report is self-explanatory and requires no comments. Further, there were no adverse remarks or qualification in the Report that calls for Board's explanation. During the year under review, there were no frauds reported by Auditors under Section 143(12) of Companies Act, 2013.

INTERNAL AUDITORS:

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors of the Company has appointed Mr. Sahil Barniyal as an Internal Auditor of the company w.e.f. 21.02.2025 for the 4th quarter for the financial year 2024-2025 and for the financial year 2025-2026.

Mr. Sahil Barniyal performs the duties of Internal Auditors of the Company for the financial year 2025-2026 and their report is reviewed by the audit committee.

COMPLIANCE WITH SECRETARIAL STANDARDS:

During the year under review, your Company has duly complied with applicable provisions of the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required under Section 134 (3)(m) of The Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure-6** and forms part of this report.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES AND HOLDING COMPANIES:

Your Company does have one Subsidiary of the Company named Vaneera Industries Limited (formerly known as Vaneera Industries Private Limited) as on 31st March, 2026. Disclosure is also provided in Form AOC-1 as per Companies Act, 2013 and the rules framed thereunder is annexed herewith as **Annexure -7** and forms part of this report.

Further, your Company does not have any Joint Venture or Associate Company and Holding Company as on 31st March, 2026.

MATERIAL CHANGES OR COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

There were no material changes or commitments, affecting the financial position of the company which have occurred between the end of Financial Year 31st March, 2026 and the date of this report.

RISK MANAGEMENT POLICY

The Company has in place a risk management policy including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company and also the comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically as per the Risk Management Policy of the Company. The Board provides oversight and reviews the Risk Management Policy periodically.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to the provisions of Section 177 and applicable provisions of SEBI (LODR) Regulation, the Company has put in place an effective Vigil Mechanism/ Whistleblower Mechanism. The Vigil mechanism is implemented not only as a safeguard to unethical practices. This mechanism is intended to provide mechanism for reporting genuine concerns or grievance and ensure that deviations from the Company's Business Conduct Manual and Values are dealt with in a fair and unbiased manner. The mechanism also ensures the protection of whistleblower against the victimization for the disclosure made by him/her. Under the mechanism an Ethics committee has been established for managing the vigil mechanism and the mechanism also provides for direct access to the Chairman of the Audit Committee in exceptional circumstances. The Audit Committee reviews and ensures the adequacy of the system laid down by the Company for the said purpose.

No concern was reported in aforesaid connection during the financial year ended March 31, 2026. The Vigil Mechanism/Whistle Blower Policy is posted on the website of the Company and the web link for the same is https://gargfurnacelimited.com/details-of-establishment/

POLICIES:

Your Company has framed the Policies (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; (ii) the Code of Conduct as required under SEBI (Prohibition of Insider Trading) Regulations, 2015, (iii) Policy on inquiry in case of leak of unpublished price sensitive information (UPSI) (iv) Policy for Preservation of Documents (v) Policy for determination of Materiality of the Disclosure of Events & Information (vi) Archival Policy and the same is available on the website of Company at https://gargfurnacelimited.com/

FAMILIARISATION PROGRAMMES:

The Company, at the time of appointing a Director, issues a formal letter of appointment which, inter alia, explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All the Independent Directors are provided with all the Policies/Guidelines as framed by the Company under various statutes and SEBI Regulations, to familiarize them with Company's procedures and practices. Further, to update them on a regular basis, the Company provides copies of all the amendments in Corporate Laws, Corporate Governance Rules and SEBI Regulations. The details of Company's Policy on Familiarization Programs for Independent Directors are posted on the website of the Company and can be accessed at https://gargfurnacelimited.com/

GREEN INITIATIVE:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Further, as per the provisions of Companies Act, 2013, the Company may send financial statements and other documents by electronic mode to its members. Your Company has decided to join the MCA in its environmental friendly initiative. Accordingly, henceforth Company propose to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

LISTING OF SECURITIES, LISTING FEES AND ANNUAL CUSTODY FEES:

The Securities of the Company are listed on BSE Limited (Scrip Code: 530615), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The Company has paid the listing fee to the BSE Limited for the financial year 2026-2027. The Company has also made the payment of Annual Custody fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2026-2027.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil

(c) number of shareholders to whom shares were transferred from suspense account during the year: Nil

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable

HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Industrial Relations remained cordial throughout the year. A detailed section on Human Resources/Industrial Relations is provided in the Management Discussion and Analysis Report, which forms part of this Annual Report.

OTHER DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and

The requirement to disclose the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons there of, is not applicable.

The Company has not defaulted in payment of interest and/ or repayment of loans to any of the financial institutions and/ or banks during the year under review is not applicable.

ACKNOWLEDGEMENT:

The Directors of the company wish to place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the management of the Company.

For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

ANNEXURE-1 TO THE DIRECTORS' REPORT
Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis –

During the Financial Year 2025-26, the Company had not entered into any contract/ arrangement/ transaction with its related parties which is not in ordinary course of business or at arm's length.

Number of contracts or arrangements or transactions not at arm's length basis: **NIL**

(a) Corporate Identity Number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number: **Not Applicable**

(b) Name(s) of the related party: **Not Applicable**

(c) Nature of relationship: **Not Applicable**

(d) Nature of contracts/arrangements/transactions: **Not Applicable**

(e) Duration of the contracts/arrangements/transactions: **Not Applicable**

(f) Salient terms of the contracts or arrangements or transactions including actual /expected contractual amount: **Not Applicable**

(g) Justification for entering into such contracts or arrangements or transactions: **Not Applicable**

(h) Date of approval by the Board: **Not Applicable**

(i) Amount paid as advances, if any: **Not Applicable**

(j) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **Not Applicable**

(k) SRN of MGT-14: **Not Applicable**

Details of material contracts or arrangements or transactions at Arm's length basis –

All the transactions entered into by the Company with its related parties, during the year under review were in the "ordinary course of the business" and on "an arm's length basis", in accordance with the Company's Related Party Transactions Policy.

Number of material contracts or arrangements or transactions at arm's length basis: 4 (Four

(a) Corporate Identity Number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or	U17120PB2011PLC035017	AAQPG7293R	ACBPG7170L	AQRPG5512C

	Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number:				
(b)	Name(s) of the related party:	Vaneera Industries Limited (Formerly Known as Vaneera Industries Private Limited)	Devinder Garg	Vaneera Garg	Toshak Garg
(c)	Nature of relationship:	(Promoter Group Company)	(Managing Director and Promoter)	(Whole Time Director and Promoter)	(Managing Director and Promoter)
(d)	Nature of contracts/ arrangements/ transactions:	Financial	Financial	Financial	Financial
(e)	Duration of the contracts/arrangements/transactions:	Approval is for Financial year 2025-2026	Approval is for Financial year 2025-2026	Approval is for Financial year 2025-2026	Approval is for Financial year 2025-2026
(f)	Salient terms of the contracts or arrangements or transactions including actual /expected contractual amount:	The transaction involves Purchase of Goods, Sales of Goods, Rent received and lease of machinery given to related party is charged at prevailing market rates at arm's length basis and in the Ordinary Course of Business.	The transaction involves Remuneration and unsecured loan received are done at prevailing market rates at arm's length basis and in the Ordinary Course of Business.	The transaction involves Remuneration and unsecured loan received are done at prevailing market rates at arm's length basis and in the Ordinary Course of Business.	The transaction involves Remuneration and unsecured loan received are done at prevailing market rates at arm's length basis and in the Ordinary Course of Business.
(g)	Date of approval by the Board:	14.08.2025	14.08.2025	14.08.2025	14.08.2025
(h)	Amount paid as advances, if any:	NIL	NIL	NIL	NIL

For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg

Place: Ludhiana **Chairman and Managing Director**
Date: 31.07.2026 **DIN: 01665456**

ANNEXURE – 2 TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company:**

The Company's CSR policy and programs are in accordance with Section 135 of Companies Act, 2013. The CSR policy of the Company can be accessed on its website at https://gargfurnacelimited.com/

2. **Composition of CSR Committee:**

SL No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	AMANDEEP KAUR	Chairperson/ Non-Executive - Independent Director	1	1
2.	SHRUTI GUPTA	Member / Non-Executive - Independent Director	1	1
3.	MEHAK JAIN	Member / Non-Executive Independent Director	1	1

3. **Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** https://gargfurnacelimited.com/

4. **Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of Section 135: Rs. 6.38 Cr.
   (b) Two percent of average net profit of the company as per sub-section (5) of Section 135: Rs. 12.76 Lakhs
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
   (d) Amount required to be set off for the financial year, if any: Rs. 2.59 Lakhs
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 10.17 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 10.55 Lakhs
   (b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 10.55 Lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10.55 Lakhs	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set off, if any: 0.31 Lakhs

SL No.	Particular	Amount (in Rs.)
1.	2.	3.
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	12.76 Lakhs
(ii)	Total amount spent for the Financial Year	10.55 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.31 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.31 Lakhs

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

1.	2.	3.	4.	5.	6.	7.	8.
SL No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in `)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in `)	Amount Spent in the Financial Year (in `)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in `)	Deficiency, if any
NIL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ **Yes** ☑ **No**

If Yes, enter the number of Capital assets created/ acquired : Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

SL No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, If applicable	Name	Registered Address
Not applicable							

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:** Not Applicable

For and on behalf of the Board
For Garg Furnace Limited

For and on behalf of the Board
For Garg Furnace Limited

Place: Ludhiana
Date : 31.07.2026

Amandeep Kaur
Chairman of Committee
DIN: 07728094

Devinder Garg
Chairman and Managing Director
DIN: 01665456

ANNEXURE-3 TO THE DIRECTOR'S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

To,

The Members,
Garg Furnace Limited
CIN: L99999PB1973PLC003385
KANGANWAL ROAD, VPO JUGIANA, GT ROAD, LUDHIANA, PB-141120 IN

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Garg Furnace Limited** hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my/our verification of the **Garg Furnace Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Garg Furnace Limited** ("The Company") for the financial year ended on 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi). Other Applicable Laws

1. The Shops & Establishment Act, 1954
2. The Factories Act
3. Payment of Gratuity Act
3. Minimum Wages Act, 1948
5. Maternity Benefit Act, 1961
6. The Employees State Insurance Act, 1948
7. Employees Provident Fund and Miscellaneous Provisions Act
8. The Contract labour (Regulation & Abolition) Act 1970
9. The Payment of Bonus Act, 1965
10. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

With reference to aforesaid specific Acts of the Company, I have relied on the Compliance Certificates placed before the Board by the respective Department heads. With regard to compliance system relating to direct tax, indirect tax and other tax laws, I have relied on the reports of Internal as well as the Statutory Auditors of the Company for. Our report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report.

(vii) I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to labour & industrial laws Central, State & Local Tax Laws, Environmental laws as well as other laws specifically applicable to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India: Secretarial Standards issued by The Institute of Company Secretaries of India for Board Meetings and General Meetings are applicable and have been duly complied.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s): During the period under review the Company has generally complied with the provisions of the Corporate Laws and applicable Rules, Regulations, Guidelines, Standards, etc.

1. The Company has kept and maintained all Registers as per the provisions of the Corporate Laws and the Rules made there under and all entries therein have been recorded.

2. The Company is not required to obtain any approval of the Central Government, National Company Law Tribunal, Regional Director, Registrar and/or such authorities prescribed under the provision of the Act during the said year.

3. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or other punishment was imposed on the Company during the financial year, for offences under the Corporate Laws.

4. Based on the Audit Procedures performed and the information and explanations given to us, i report that no fraud on or by the Company was noticed or reported during the year.

5. Management has informed us that the website of the Company (gargfurnacelimited.com) is being updated regularly as per the provisions of the Companies Act, 2013.

6. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that

The Board of Directors of the Company was duly constituted with a proper balance of Executive, Non-Executive Directors.

Composition of Board of Directors of the Company is adequate. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members’ views are captured and recorded as part of the minutes.

I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the Audit and also on review of quarterly compliance reports by respective department heads/ Company Secretary taken on record by the Board of Directors of the Company, in our opinion**,** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above except:

1. To create, issue, offer and allot from time to time, in one or more tranches, 28,00,000 (Twenty Eight Lakhs only) Convertible Warrants into Equity shares on preferential basis , at a price of Rs. 195/- (Rupees One Hundred Ninety Five Only) per share, aggregating upto Rs. 54,60,00,000/- (Rupees Fifty Four Crore Sixty Lakhs Only) ("Total Issue Size"), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value ` 10.00/- (Rupees Ten only), each at a premium of Rs. 185/- per share for each Warrant

2. To issue and allot 18,00,000 (Four Lakh) Equity Shares of face value of Rs. 10/- (Rupees Ten only) each upon conversion of the warrants at an issue price of Rs. 195/- (Rupees One Hundred and Ninety-Five only) each, including premium of Rs. 185/- each during the year under review.

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

Place: Ludhiana
Date: 30.05.2026 **FOR PDM & ASSOCIATES**

CS Pooja Damir Miglani
Company Secretaries Prop.
M.No. A25988
C.P No. 25003
UDIN: L99999PB1973PLC003385
Peer Review No: Peer Review No: 6237/2024

Annexure-A

To,

The Members,

Garg Furnace Limited

CIN: L99999PB1973PLC003385

KANGANWAL ROAD, VPO JUGIANA, GT ROAD, LUDHIANA, PB-141120 IN

Our report of even date is to be read along with this letter stating that.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification procedure on test check basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ludhiana
Date: 30.05.2026 **FOR PDM & ASSOCIATES**

CS Pooja Damir Miglani
Company Secretaries Prop.
M.No. A25988
C.P No. 25003
UDIN: L99999PB1973PLC003385
Peer Review No: Peer Review No: 6237/2024

ANNEXURE – 4 TO THE DIRECTORS' REPORT

Disclosure in the Boards' Report under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary or Manager during the Financial Year 2024-2025, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-2026.

Sr. No.	Name & Designation of Director/KMP	Remuneration for F.Y. 2025-2026 (in Rs.)	%age increase/ (decrease) in remuneration in the F.Y. 2025-2026	Ratio of Remuneration of each director to median remuneration of employees
1.	Mr. Devinder Garg, Chairman and Managing Director	24,00,000	100 %	---
2.	Ms. Vaneera Garg, Wholetime Director	18,00,000	50 %	---
3.	Mr. Toshak Garg, Managing Director	18,00,000	20 %	---
4.	Mr. Amandeep Kaur Non-Executive Independent Director	--	Not Applicable	Not Applicable
5.	Mr. Gurmeet Singh Battu Chief Financial Officer	---	Not Applicable	Not Applicable
6.	Ms. Supreena Tagra Company Secretary	166707	Not Applicable	Not Applicable
7.	Ms. Mehak Jain# Non-Executive Independent Director	--	Not Applicable	Not Applicable
8.	Ms. Shruti Gupta Non-Executive Independent Director	--	Not Applicable	Not Applicable
9.	Ms. Purti Katyal Non-Executive Independent Director*	--	Not Applicable	Not Applicable

*Resigned as a Non-Executive Independent Director with effect from 14.08.2025

Appointed as Non-Executive Independent Director with effect from 14.08.2025

2. The median remuneration of employees of the Company during the financial year was Rs. 22122
3. In the financial year under review, there was 1.09 % increase in the median remuneration of employees.
4. There were 55 permanent employees on the rolls of Company as on March 31, 2026.

5. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year 2025-2026 is 1.07 % increase .
6. It is hereby affirmed that the remuneration paid to Directors, KMP's and other employees during the year is as per the Remuneration Policy of the Company.

Details of Top ten employees of the Company in terms of salary drawn as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2025-2026.

Sr. No.	Name & Designation	Remuneration Received (in Rs.)	Nature of Employment	Qualification and Experience	Date of commencement of employment	Age (in years)	Last employment held	% age of equity shares held	Whether relative of any director or manager
1	Devinder Garg	2400000	Managing Director	B.A.	01.08.2015	60	-	654290	Father of Mr. Toshak Garg and Husband of Smt. Vaneera Garg
2	Vaneera Garg	1800000	Whole Time Director	B.A.	14.11.2015	58	-	1568510	Mother of Mr. Toshak Garg and Wife of Sr. Devinder Garg
3	Toshak Garg	1800000	Managing Director	B.SC	14.08.2023	34	-	216951	Son of Mr. Devinder Garg and Mrs. Vaneera Garg
4	CHANDAN KUMAR	321240	PERMANENT	BE-TECH	01.04.2025	28	-	-	-
5	ASHISH SHARMA	489194	PERMANENT	MBA	01.06.2025	29	-	-	-
6	AMARJEET KUMAR YADAV	425923	PERMANENT	INTER	01.07.2023	34	-	-	-
7	NIRANJAN KUMAR	263132	PERMANENT	Graduate	01.07.2023	33	-	-	-
8	RAJEEV KUMAR	300000	PERMANENT	Graduate	01.09.2023	46			
9	KARAN KUMAR	238294	PERMANENT	Graduate	01.03.2025	37			
10	Aman Yadav	300119	PERMANENT	INTER	01.05.2024	28	-	-	-
11	RADHE KRISHAN KUMAR	239395	PERMANENT	INTER	01.12.2024	29	-	-	-
12	JAI PARKASH	317159	PERMANENT	Graduate	01.11.2024	46	-	-	-

Note:

i. During the Financial Year 2025-2026, there was no employee who, if employed throughout the financial year, was in receipt of remuneration in the aggregate, not less than one crore and two lakh rupees.

ii. During the Financial Year 2025-2026, there was no employee who, if employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand Rupees per month.

iii. During the Financial Year 2025-2026, there was no employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company

For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

ANNEXURE-5 TO THE DIRECTORS' REPORT

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

APPLICABILITY

This Policy is applicable to:

a. Directors (Executive, Non-Executive and Independent)

b. Key Managerial Personnel (KMP)

c. Senior Management Personnel

d. Other employees as may be decided by the Committee ("NRC")

OBJECTIVE

The Policy provides criteria for:

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

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

The following are the guiding factors:

- The scope of duties, the role and nature of responsibilities;
- The level of skill, knowledge, experience, loca1l factors and expectations of individual;
- The Company's performance, long term strategy and availability of resources;
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and other employees of the quality required to run the Company successfully; and
- Relationship of remuneration to performance is clear and meets appropriate performance benchmark;

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

The following are the guiding factors:

- The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and as decided by the Board from time to time.
- The Non-Executive/ Independent Director(s) may also receive remuneration / compensation / commission etc. as per criteria/limit thereof prescribed under Companies Act, 2013 and rules made thereunder
- Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders', as may be applicable

EVALUATION

The evaluation will be done on following parameters:

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

For and on behalf of the Board

For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

ANNEXURE-6 TO THE DIRECTORS' REPORT

Information pursuant to Section 134 (3)(m) of The Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended 31st March, 2026

A. CONSERVATION OF ENERGY

a)	Energy conservation measures	The company has always been conscious of the need to conserve energy and has always attempted various measures for the same wherever possible to achieve reduction in cost of production. The company has taken various measures on suggestions of experts in the areas where energy reduction and fuel & oil conservation is possible. The Company has installed LED lamps in place of failed Tube lights and CFL thereby reducing energy consumption in lighting during the year
b)	Additional Investment and proposals if any, being implemented for reduction of energy consumption	**No**
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.

B. POWER & FUEL CONSUMPTION

1. Electricity	**Current Year (2025-26)**	**Previous Year (2024-25)**
a) Purchased		
Units(KWH) (in Units)	28960960	31235282
Total amount	213702902	212721867
Rate per unit	Rs. 7.38	Rs. 7.11
b) Own Generation		
i) Through Diesel Generator Units (KWH)	6201	3539
Units per litre of diesel	3.90	3.90
Oil Cost/unit	Rs. 22.59	Rs. 22.81
ii) Through steam Turbine	Nil	Nil
2. Coal		
Quantity (Kgs) Total	-	--
Amount	**0.00**	**0.00**
Average Rate per Kg	**0.00**	**0.00**

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**

	2025-2026	**2024-2025**
Total Foreign Exchange	79,55,085.99	0.00
Used (CIF Value of Imports)	21,71,532.00	0.00

For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

ANNEXURE 7 TO THE DIRECTORS' REPORT

Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2O14) Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

Part A Subsidiaries

S. No.	Particulars	Amount (in Lakhs)
1.	Name of the subsidiary	Vaneera Industries Limited (formerly known as Vaneera Industries Private Limited)
2.	The date since when subsidiary was acquired	21.08.2025
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2026
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
5.	Share capital	1061.88
6.	Reserves and surplus	4183.30
7.	Total Assets	8009.60
8.	Total Liabilities	8009.60
9.	Investments	0.00
10.	Turnover	2907.35
11.	Profit Before taxation	54.59
12.	Provision for taxation	14.60
13.	Profit after taxation	39.99
14.	Proposed Dividend	0.00
15.	Extent of shareholding (in percentage)	51.22%

For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

PART-A

NAMASTE SHAREHOLDERS

INDUSTRY OVERVIEW

The industrial scenario of steel furnaces is characterized by a shift towards energy efficient technologies and automation. The global Industrial Steel Furnace market is projected to gro w from $22.88 billion in 2025 to $36.41 billion by 2034, driven by demand across automotive, constr uction, and aerospace sectors. Electric Arc Furnaces (EAFs) are the dominant technology, capturing o ver one-third of global revenue. The industry is also witnessing a fundamental shift towards energy-efficient equipment and automation,integrated systems, with manufacturers investing heavily in digi talization

OUR COMPANY

Last year, we told you we were shifting from a commodity mindset to a value-first, margin-driven model. This year, the numbers make that case better than words. Our net profit grew nearly 45% while our topline grew barely 11% – proof that the transformation we spoke of is no longer an intention, it is how we now run this business.

FY 2025-26 was the year our strategy stopped being a plan and became a track record. We deepened our chemistry-led approach, moved decisively further up the value chain, brought Vaneera Industries into the family. This was the year built our foundation, and watched this transformation happen on our shop floor, in our customer conversations, and in every decision this year that chose durability over a quick win.

OPPORTUNITIES AND THREATS

The steel industry did not make this an easy year. Global oversupply, softened demand from China, ongoing wars and volatile input and freight costs continued to weigh on benchmark prices.

We took a different path. Rather than chase volume at falling prices, we leaned further into performance-led steel – and the results validate that choice. While the industry wrestled with margin pressure, we grew our profit nearly four times faster than our revenue.

FINANCIAL/OPERATIONAL PERFORMANCE

The audited results for the year ended 31 March 2026 reflect a business that is converting strategy into profit, not just activity into revenue.

Metric	FY 2024-25 (Rs. In Cr.)	FY 2025-26 (Rs. In Cr.)
Total Income from Operations (Standalone)	**261.61 Cr**	**289.30 Cr**

Net Profit Before Tax (Standalone)	**7.64 Cr**	**11.07 Cr**
Net Profit After Tax (Standalone)	**7.64 Cr**	**11.07 Cr**
Net Worth (Standalone)	**62.25 Cr**	**98.87 Cr**
Basic EPS (Standalone)	**15.88**	**16.36**

Net profit before tax grew by approximately 45%, against revenue growth of around 11% – a margin expansion story, not a volume story. Net worth grew by nearly 59% year-on-year.

INTERNAL CONTROL & SYSTEMS

The Company is having adequate internal control systems and procedures which commensurate with the size of the Company. The Company is having Internal Audit Department which ensures that the internal control systems are properly followed by all concerned departments of the Company.

RISK AND CONCERNS

The steel industry did not make this an easy year. Global oversupply, softened demand from China, ongoing wars and volatile input and freight costs continued to weigh on benchmark prices.

STATUS FY 2025–26

Net profit before tax grew by approximately 45%, against revenue growth of around 11% – a margin expansion story, not a volume story. Net worth grew by nearly 59% year-on-year.

Chemistry-Led Value Creation – What Made the Difference

- Custom steel compositions – carbon, manganese, and chromium balanced for specific performance needs – now supplied at meaningful scale to auto component suppliers, agricultural equipment makers, and precision industrial customers
- Established as a preferred vendor to Tier-2 OEM suppliers, with recurring rather than one-off orders
- Performance-linked pricing continued to reduce our dependence on general market price movements
- Maintained 100% capacity utilization through the year
- Tight control over power costs, scrap sourcing, and yield losses translated directly into margin expansion, quarter over quarter

FUTURE OUTLOOK

With Vaneera integrated and our value-added strategy now proven in the numbers, our priorities for the year ahead are clear:

- Ramp up alloy steel production through Vaneera and integrate it fully into our customer offering
- Continue expanding chemistry-led product innovation and value-added steel volumes
- Deepen our presence in auto and engineering segments, and extend further into railways and defense-grade requirements
- Sustain bottom-line-led growth as our guiding discipline, not a one-year exception

Our goal remains what it was last year, only closer now: a differentiated, defensible steel business that thrives in every cycle – not because the market cooperates, but because we have built it not to depend on that.

HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATION

During the year, the company has employed 55 persons. The Industrial Relations remain cordial during the year. The company is continuing its efforts for improvement in the work culture wherein employees can contribute to their fullest potential. The management acknowledges the contribution of all employees in achieving better performance.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

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

Ratio	F.Y. 2025-2026	F.Y. 2024-2025	% Change
Current Ratio	3.72	3.91	(4.87%)
Debt equity Ratio	0.18	0.02	687.20%
Debt Services coverage Ratio	632.47%	8528.97%	(92.58%)
Return on equity ratio (ROE)	12.78%	13.76%	(7.17%)
Inventory Turnover Ratio (in days)	16.19	21.99	(26.39%)
Trade receivable turnover ratio (in days)	12.95	11.02	17.60%
Trade payable turnover ratio (in days)	37.71	44.94	(16.09%)
Net capital turnover ratio	5.05	6.34	(20.39%)
Net profit ratio	3.56%	2.92%	21.89%
Return on capital employed (ROCE)	9.83%	12.17%	(19.21%)

EXPLANATION FOR CHANGE OF 25% OR MORE IN KEY FINANCIAL RATIOS

Change in Debt services coverage ratio Due to Increase in the amount of Borrowings and their repayments during the year. Change in Debt-Equity Ratio due to Increase in Borrowings during the year as compared to previous year. Change in Inventory turnover ratio due to Increase in Inventory during the year as compared to previous year.

ACCOUNTING TREATMENT

The financial statements of the Company for financial year 2025-2026 have been prepared in accordance with the applicable accounting principles in India and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder. The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

PART-B

MANAGEMENT DISCUSSION & ANALYSIS REPORT
For FY 2025-26
Presented by Toshak Garg, Director – Garg Furnace Limited
Building on the Foundation – Steel That Performs

Namaste Shareholders,
Last year, we told you we were shifting from a commodity mindset to a value-first, margin-driven model. This year, the numbers make that case better than words. Our net profit grew nearly 45% while our topline grew barely 11% – proof that the transformation we spoke of is no longer an intention, it is how we now run this business.

FY 2025-26 was the year our strategy stopped being a plan and became a track record. We deepened our chemistry-led approach, moved decisively further up the value chain, brought Vaneera Industries into the family. This was the year built our foundation, and watched this transformation happen on our shop floor, in our customer conversations, and in every decision this year that chose durability over a quick win.

Our Three Pillars – One Year On

Last year we set out three focus areas. This year, each one has moved from initiative to impact:

1. Chemistry-Led Product Innovation, Now at Scale
What began as a shift in how we balance carbon, manganese, and chromium has become a genuine point of differentiation. Our value-added grades are no longer a pilot with a handful of customers – they are a growing share of our order book, commanding better realizations and, more importantly, customer loyalty that doesn't waver when market prices do. This remains the single biggest driver of everything we achieved this year.

2. Deeper Movement Into Value-Added Segments
We continued to move our product mix away from commodity steel and toward specialized, performance-led grades for automotive, agri-machinery, engineering, and precision industrial applications. This shift is deliberate and ongoing – every tonne we move up the value chain is a tonne less exposed to the price swings the broader industry has had to absorb this year.

3. Strategic Acquisition – Completed
With Vaneera now part of our ecosystem, we have moved from being steel manufacturers to being a genuine alloy steel platform – with the advanced metallurgy, capacity, and customer access to serve auto, engineering, railways and defense-grade requirements that will make us part of India's growth story.

Industry Context – A Tougher Year, A Stronger Response
The steel industry did not make this an easy year. Global oversupply, softened demand from China, ongoing wars and volatile input and freight costs continued to weigh on benchmark prices.

We took a different path. Rather than chase volume at falling prices, we leaned further into performance-led steel – and the results validate that choice. While the industry wrestled with margin pressure, we grew our profit nearly four times faster than our revenue.

Financial Performance – The Numbers Behind the Story

The audited results for the year ended 31 March 2026 reflect a business that is converting strategy into profit, not just activity into revenue.

Metric	FY 2024-25 (Rs. In Cr.)	FY 2025-26 (Rs. In Cr.)
Total Income from Operations (Standalone)	261.61 Cr	289.30 Cr
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Net Profit After Tax (Standalone)	7.64 Cr	11.07 Cr
Net Worth (Standalone)	62.25 Cr	98.87 Cr
Basic EPS (Standalone)	15.88	16.36

Net profit before tax grew by approximately 45%, against revenue growth of around 11% – a margin expansion story, not a volume story. Net worth grew by nearly 59% year-on-year.

Chemistry-Led Value Creation – What Made the Difference

- Custom steel compositions – carbon, manganese, and chromium balanced for specific performance needs – now supplied at meaningful scale to auto component suppliers, agricultural equipment makers, and precision industrial customers
- Established as a preferred vendor to Tier-2 OEM suppliers, with recurring rather than one-off orders
- Performance-linked pricing continued to reduce our dependence on general market price movements
- Maintained 100% capacity utilization through the year
- Tight control over power costs, scrap sourcing, and yield losses translated directly into margin expansion, quarter over quarter

Delivered What We Promised

We said last year that we grow by choice, not by chance. Here is how we measure up against what we committed to:

Commitment (FY 2024-25)	Status FY 2025-26
Complete the Vaneera acquisition and begin alloy steel production	Vaneera acquisition completed; alloy steel facility work underway
Scale up value-added steel volumes	Value-added mix expanded further through chemistry-led product innovation
Sustain bottom-line-led growth, not just top-line expansion	Profit growth significantly outpaced revenue growth for the second consecutive year
Commitment (FY 2024-25)	Status FY 2025-26
Expand customer base in auto and engineering segments	Deeper penetration with OEM-Tier 2 accounts

Vaneera Industries Ltd. – From Strategic Step to Strategic Asset

What was, a year ago, a decisive first step has now become a completed part of our platform. Vaneera brings us:

- Advanced metallurgy – LRF, EMS, and VD processes
- Planned capacity of 204,000 MT, materially expanding our alloy steel footprint. This is 4X our current capacity.
- Direct access to auto, engineering, railways and defense sectors
- An import substitution opportunity in premium alloy grades

Sustainability & Compliance

We continue to manufacture using 100% recycled scrap as our raw material – a commitment that has not changed and will not change, because responsible manufacturing is not a campaign for us, it is simply how we operate.

Outlook for FY 2026-27

With Vaneera integrated and our value-added strategy now proven in the numbers, our priorities for the year ahead are clear:

- Ramp up alloy steel production through Vaneera and integrate it fully into our customer offering
- Continue expanding chemistry-led product innovation and value-added steel volumes
- Deepen our presence in auto and engineering segments, and extend further into railways and defense-grade requirements
- Sustain bottom-line-led growth as our guiding discipline, not a one-year exception

Our goal remains what it was last year, only closer now: a differentiated, defensible steel business that thrives in every cycle – not because the market cooperates, but because we have built it not to depend on that.

A Note of Gratitude

To every shareholder who has stood with us – thank you. This year's numbers are not a stroke of luck; they are the result of choices we made together , focusing on performance.

We are not just forging steel. We are forging a business built to last – and this year, more than any before it, the results agree.

1. **Overview of Subsidiary Company**

   Vaneera Industries Ltd. (VIL), in which Garg Furnace Ltd. (GFL) acquired a 51% controlling stake, has built a licensed induction-furnace alloy steel facility in Ludhiana, Punjab. The plant is equipped with Ladle Refining Furnace (LRF), Vacuum Degassing (VD) and Electro-Magnetic Stirrer (EMS), technology to produce high-quality alloy steel billets for specialized, quality-sensitive end markets.

2. **Key Facts**
   - Location: Ludhiana, Punjab
   - Acquisition: GFL holds a 51% controlling stake
   - Licensed capacity: 204,000 MT per annum of alloy steel, 4 times the current capacity of GFL.
   - Core technologies: LRF, VD, EMS
   - Project Status: 100,000 MT per annum phase 1 is ready to commission soon.
   - Target sectors: automobile, auto components, general engineering, railways; strategic fit

extends toward defense-grade applications

3. Product & Process Highlights

- Manufacturing technology: Ladle Refining Furnace (LRF) for precise temperature control and impurity removal
- Vacuum Degassing (VD): superior cleanliness and lower hydrogen/oxygen content
- Electromagnetic Stirring (EMS): delivers uniform grain structure and improved mechanical properties
- Chemistry and purity will be close to the levels achieved by Electric Arc Furnace (EAF) materials

4. Strategic Positioning: High Quality at Mid-Range Pricing

Parameter	**Mild Steel (MS)**	**GFL / Vaneera Alloy Steel**	**EAF Steel**
Quality & Strength	Basic	**Mid-High**	Very High
Application Range	General	**Auto, Engineering, Railways**	Auto, Defense, Aerospace
Production Process	Induction	**LRF + VD + EMS**	EAF + VD
Target Customer Base	Bulk	**+ VD Tier 1 & 2 OEMs**	Premium / Export

VIL/GFL alloy steel is positioned as a substitute for arc-furnace steel at roughly a 5–10% lower price point, opening a mid-premium market segment that has been underserved between bulk mild steel and premium EAF output.

5. Strategic Advantage

- Captures demand from Tier-1 and Tier-2 automotive, engineering, railways, and component manufacturers
- Well suited to import substitution and large OEM contracts
- Cost-effective alternative for customers unwilling to pay EAF premiums but seeking higher strength and consistency
- Total planned capacity of 204,000 MT alloy steel per annum positions VIL as a scaled, quality-differentiated supplier.

Warm regards, Toshak Garg

Director, Garg Furnace Limited Ludhiana, Punjab

For and on behalf of the Board
For Garg Furnace Limited

Devinder Garg
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

REPORT ON CORPORATE GOVERNANCE

[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")]

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2026, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 ("Listing Regulations")

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE REPORT

In Garg Furnace Limited ("The Company"), we strongly believe that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and growth as well as enhancing investor confidence. Beyond mere compliance we are committed towards taking initiative to enhance investor's wealth in the long run. This is reflected in the well balanced and independent structure of Company's eminent and well represented Board of Directors. The Company considers it absolutely essential to abide by the laws and regulations in letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the Country. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials, performance and operations of the Company.

The Company as a good Corporate citizen complies with the conditions of corporate governance pursuant to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time.

BOARD OF DIRECTORS

The Company has a diversified Board, constituted in compliance with the Companies Act, 2013 ("The Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in accordance with the best practices of Corporate Governance. The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. The Company is managed by the Board of Directors in co-ordination with the Senior Management.

The Board of Directors constitute of 6 (Six) Directors. There are 2 (Two) Managing Director, 1 (One) Whole Time Director and remaining 3 (Three) are Non- Executive Independent Directors.

During the year under review, the Board met on 15 (Fifteen) occasions viz. 15.05.2025, 30.05.2025, 27.06.2025, 15.07.2025, 08.08.2025, 14.08.2025, 15.09.2025, 25.09.2025, 14.11.2025, 24.11.2025, 28.11.2025, 26.12.2025, 03.02.2026, 14.02.2026 and 09.03.2026. The maximum gap between any two Board meetings was less than One hundred and twenty days.

Category of each director on the Board, their status, their attendance at the Board Meetings and the last Annual General Meeting together with the details of number of other directorships and Committee Membership(s)/ Chairmanship(s) of each Director and Name of other Listed Entities in which concerned director is a director and the category of directorship as at 31.03.2026 are as under:

Name of the Director	Category of Director	No. of Board Meetings	Attendance at AGM held on 15.09.2025	No. of Directorship[1]	No. of Committees[2] in which Chairman / Member	Name of Other Listed entities in which	The category of directorship

		Attended			Chairman	Member[3]	concerned director is a director	
Sh. Devinder Garg	Managing Director	15 of 15	Present	1	-	-	Nil	Nil
Smt. Vaneera Garg	Whole Time Director	15 of 15	Present	1	-	-	Nil	Nil
Sh. Toshak Garg	Managing Director	15 of 15	Present	1	-	-	Nil	Nil
Ms. Amandeep Kaur	Non-Executive Independent Director	15 of 15	Present	2	2	2	Dolfin Rubbers Limited	Non-Executive Independent Director
Ms. Mehak Jain#	Non-Executive Independent Director	9 of 9	Present	1	1	2	Nil	Non-Executive Independent Director
Ms.Purti Katyal*	Non-Executive Independent Director	6 of 6	Not applicable	0	0	0	Acme Resources Limited	Non-Executive Independent Director
Ms. Shruti Gupta	Non-Executive Independent Director	15 of 15	Present	2	2	2	1. Checkpoint Trends Limited 2. Mercury Trade Links Limited 3. Superfine Knitters Limited	Non-Executive Independent Director

*Ms. Purti Katyal has resigned w.e.f. 14.08.2025 from the Board of the Company as a Non- Executive Independent Director.
#Ms. Mehak Jain was appointed as a Non- Executive Independent Director of the Company w.e.f. 14.08.2025.

Notes:

1. The number of directorships excludes directorship of Garg Furnace Limited, Private Companies, Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.
2. Chairmanship/ Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee as per Regulation 26 (1) (b) of the Listing Regulations in Indian Public Limited Companies other than Garg Furnace Limited.
3. Number of memberships in Committees are inclusive of Chairmanship.
4. There are no inter-se relationships between the Board Members.

The number of Directorships and Committee positions held by the Directors are in conformity with the limits laid down in the Companies Act, 2013 and Listing Regulations, as on 31st March, 2026.

SHAREHOLDING DETAILS OF NON-EXECUTIVE DIRECTORS AS ON 31.03.2026:

Sr. No.	Name of the Director	Designation	No. of Equity Shares	% of shareholding
	NIL	NIL	NIL	NIL

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company on appointment of an Independent Director, issues a formal Letter of Appointment setting out the terms of appointment, duties and responsibilities. The Company in terms of Regulation 25(7) of Listing Regulations, has also put in place a system to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the Company operates, business model of the Company and the ongoing events relating to the Company. It aims to provide the Independent Directors an insight into the Company's functioning and to help them to understand its business in depth, so as to enable them to contribute significantly during the deliberations at the Board and Committee meetings. The details of Familiarization Programme imparted to Independent Directors can also be accessed from www.gargfurnacelimited.com

CHART SETTING OUT THE CORE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

Core skills/expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively	Those actually available with the board	Name of the Directors who have such skills
1. Quick decision making	As per the Board, all these skills/expertise/ competencies are available with the Board	Sh. Devinder Garg Smt. Vaneera Garg Sh. Toshak Garg Ms. Amandeep Kaur Ms. Mehak Jain Ms. Shruti Gupta
2. Understanding of Company's business		
3. Leadership Skills		
4. Understanding of relevant laws, rules, regulations and policies		
5. Corporate Governance		
6. Ability to understand Financial Statements		
7. Industry knowledge and experience		
8. Finance and Taxation		

CONFIRMATION FROM THE BOARD:

Pursuant to clause C(2) (i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfill the conditions required for independent directors as specified in the Listing Regulations and are independent of the management.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

DETAILED REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR WHO RESIGNS BEFORE THE EXPIRY OF HIS TENURE ALONG WITH A CONFIRMATION BY SUCH DIRECTOR THAT THERE ARE NO OTHER MATERIAL REASONS OTHER THAN THOSE PROVIDED:

Ms. Purti Katyal resigned as a Non- Executive Independent Director from the Board of the Company w.e.f. 14.08.2025 before expiry of her term of appointment during the Financial Year ended March 31st, 2026.

Further, she has confirmed that she has resigned from the Directorship of the Company due to her personal reasons and pre-occupancy. She has also confirmed that there is no other material reason other than those provided by her.

Notes:

a. Based on the respective disclosures made by the Directors including Independent Directors, no Director of the Company holds the office of Director in more than seven (7) listed entities, and was not a member of the more than 10 (ten) Committees or acted as Chairperson of more than five (5) Committees, across all the companies in which he / she was a Director. The necessary disclosures regarding Committee positions have been made by the Directors.
b. None of the Directors held Directorships in more than twenty (20) Indian companies including ten (10) public limited companies.
c. None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.
d. None of the Independent Directors is a Whole – Time Director in any other company.
e. All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013.
f. Formal letters of appointment have been issued to the Independent Directors.
g. The meeting of the Independent Directors of the Company was held on 22.04.2024.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Code has been communicated to the Directors and the members of Senior Management. The said Code of Conduct is available at the link www.gargfurnacelimited.com. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended 31st March, 2026. A declaration to this effect signed by Managing Director of the Company is annexed to this report.

COMMITTEES OF THE BOARD:

The Board of Directors has constituted various Committees of Board in accordance with the provisions of Companies Act, 2013 and the Listing Regulations to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. These Committees play an important role in overall management of day to day affairs and governance of the Company. Details on the role and composition of these committees, including the no. of meetings held during the financial year and attendance at meetings are provided below:

(A) Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises of 3 (Three) members with the Chairman of the Committee being an Independent Director. The Audit Committee met on 5 (five) occasions viz. 30.05.2025, 08.08.2025, 14.08.2025, 14.11.2025 and 14.02.2026 to deliberate on various matters. Not more than 120 days lapsed between any two consecutive meetings of the Audit Committee during the year. The necessary quorum was present at all the Meetings. The Chairman of the Audit committee was present at the last Annual General Meeting of the Company for addressing shareholders queries.

The composition of the Audit Committee as on 31.03.2026 and particulars of meetings attended by the members during the financial year 2025-26 are given hereunder:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Ms. Amandeep Kaur	Chairman	Non-Executive Independent	5
2.	Ms. Mehak Jain#	Member	Non-Executive Independent	2
3.	Ms. Shruti Gupta	Member	Non-Executive Independent	5
4.	Ms. Purti Katyal *	Member	Non-Executive Independent	3

*Ms. Purti Katyal has resigned w.e.f. 14.08.2025 from the Board of the Company as a Non- Executive Independent Director.

#Ms. Mehak Jain was appointed as a Non- Executive Independent Director of the Company w.e.f. 14.08.2025.

The Company Secretary acts as the secretary to the Audit committee.
Ms. Amandeep Kaur, the Chairman of the Audit Committee was present at the last Annual General Meeting held on 15.09.2025.

The members of the Audit Committee are financially literate and bring in expertise in field of finance, taxation etc. The terms of reference of the Audit Committee are in line with Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and rules made thereunder. The brief description of the terms of reference of the Committee is described below:

Power of the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions; and
   g. Modified Opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Policy / Vigil Mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

In addition to the above, the following items will be reviewed by the Audit Committee:-

23. Management discussion and analysis of financial condition and results of operations;
24. Management letters / letters of internal control weaknesses issued by the statutory auditors;
25. Internal audit reports relating to internal control weaknesses; and
26. The appointment, removal and terms of remuneration of the of the chief internal auditor shall be subject to review by the audit committee;
27. Statement of deviations:
    (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to BSE/Stock exchange in terms of Regulation 32(1) of Listing Regulations.
    (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.

(B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of 3 (Three) members (all are Non-Executive Directors) and the Chairman of the Committee is an Independent Director. During the year under review, the Committee met 1 (One) time on 14.08.2025. The necessary quorum was present at the meeting. The Company Secretary acts as the secretary to the Committee. The Chairman of the Nomination and Remuneration committee was present at the last Annual General Meeting of the Company for addressing shareholders queries.

The composition of the Nomination and Remuneration Committee as on 31.03.2026 and particulars of meetings attended by the members are given below:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Ms. Amandeep Kaur	Chairman	Non-Executive Independent	1
2.	Ms. Mehak Jain#	Member	Non-Executive Independent	NA
3.	Ms. Shruti Gupta	Member	Non-Executive Independent	1
4.	Ms. Purti Katyal*	Member	Non-Executive Independent	1

*Ms. Purti Katyal has resigned w.e.f. 14.08.2025 from the Board of the Company as a Non- Executive Independent Director.
#Ms. Mehak Jain was appointed as a Non- Executive Independent Director of the Company w.e.f. 14.08.2025.

Terms of Reference:
The terms of reference of the Nomination and Remuneration Committee are in line with Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013 and rules made thereunder.

The brief description of the terms of reference of the Committee is described below:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  a. use the services of an external agencies, if required;
  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  c. consider the time commitments of the candidates.
- Formulation of criteria for evaluation of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

Performance Evaluation:
In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and the listing regulations, the Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other Directors which includes criteria for performance evaluation of the non- executive directors. The evaluation of the Independent Directors was carried out by the Board excluding the director being evaluated and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The performance was reviewed on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The Directors express their satisfaction over the entire evaluation process.

(C) Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of 3 (Three) members and the Chairman of the Committee is Ms. Amandeep Kaur, Non-Executive Independent Director of the Company. During the year under review, Committee met on 4 (Four) occasions viz. 15.05.2025, 08.08.2025, 14.11.2025 and 14.02.2026 to deliberate on various matters. The necessary quorum was present at all the meetings.

The Committee looks into various queries / issues relating to shareholders/ non-receipt of dividend, Annual Report. Ms. Supreena Tagra, Company Secretary is the Compliance Officer of the Company. The Company Secretary acts as the secretary to the Committee. The Chairman of the Stakeholders Relationship committee was present at the last Annual General Meeting of the Company for addressing shareholders queries.

The table below highlights the composition and attendance of the Members of the Committee as on March 31, 2026:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Ms. Amandeep Kaur	Chairman	Non-Executive Independent	4
2.	Ms. Mehak Jain#	Member	Non-Executive Independent	2
3.	Ms. Shruti Gupta	Member	Non-Executive Independent	4
4.	Ms. Purti Katyal*	Member	Non-Executive Independent	2

*Ms. Purti Katyal has resigned w.e.f. 14.08.2025 from the Board of the Company as a Non- Executive Independent Director.

#Ms. Mehak Jain was appointed as a Non- Executive Independent Director of the Company w.e.f. 14.08.2025.

Terms of Reference

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Resolving the grievances of the security holders of the Company, including complaints in respect of transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

(D) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of 3 (Three) members and the Chairman of the Committee is Ms. Amandeep Kaur, Non-Executive Independent Director of the Company. During the year under review, Committee met on 1 (One) occasion viz. 03.02.2026 to deliberate on various matters. The necessary quorum was present at all the meetings.

The Committee looks into various queries / issues relating to CSR spent/ unspent amount, ongoing projects and CSR activities. Ms. Supreena Tagra, Company Secretary is the Compliance Officer of the Company. The Company Secretary acts as the secretary to the Committee. The Chairman of the Stakeholders Relationship committee was present at the last Annual General Meeting of the Company for addressing shareholders queries.

The table below highlights the composition and attendance of the Members of the Committee as on March 31, 2026:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Ms. Amandeep Kaur	Chairman	Non-Executive Independent	1
2.	Ms. Mehak Jain#	Member	Non-Executive Independent	1
3.	Ms. Shruti Gupta	Member	Non-Executive Independent	1
4.	Ms. Purti Katyal*	Member	Non-Executive Independent	NA

*Ms. Purti Katyal has resigned w.e.f. 14.08.2025 from the Board of the Company as a Non- Executive Independent Director.

#Ms. Mehak Jain was appointed as a Non- Executive Independent Director of the Company w.e.f. 14.08.2025.

Details of Shareholder's complaints Received, Solved and Pending:

Particulars	No. of Complaints	Particulars	No. of Complaints
Pending as on 01-04-2025	0	Resolved during the year	2
Received during the year	2	Pending as on 31-03-2026	0

No complaints remained unattended/ pending for more than thirty days. The Company has no share transfers/ transmission pending as on March 31, 2026. Further, 2 shareholders complaint/ grievance were received under 'SCORES' during the Financial Year 2025-2026.

SENIOR MANAGEMENT:

Particulars of senior management including the changes therein since the close of the previous financial year.

Sr. No.	Name	Designation	PAN	Date of Appointment	Changes
1.	Sh. Devinder Garg	Managing Director	AAQPG7293R	01/08/2015	No changes since the close of the previous financial year
2.	Smt. Vaneera Garg	Wholetime Director	ACBPG7170L	14/11/2015	
3.	Sh. Toshak Garg	Managing Director	AQRPG5512C	14/08/2023	
4.	Ms. Supreena Tagra	Company Secretary and Compliance Officer	BDHPT9401P	15/07/2022	
5.	Mr. Gurmeet Singh Battu	Chief Financial Officer	AJMPB6645F	25/01/2016	

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The meeting of Independent Directors was held on 12.02.2026 inter alia:

- To review the performance of Non-Independent directors and the Board as a whole;
- To review the performance of the Chairperson of the Company, and;
- To 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.

REMUNERATION OF DIRECTORS:

Directors with Pecuniary Relationship or Business Transaction with the Company:

The Board comprises with Non-Executive Directors and Executive Directors, they have not been paid any sitting fees to any of the directors of the Company.

Details of Remuneration paid during the Financial Year ended March 31, 2026 is as follows:

(Amount in Rs.)

Sr. No.	Name of the Director	Remuneration	Total
1.	Sh. Devinder Garg	24,00,000	24,00,000
2.	Smt. Vaneera Garg	18,00,000	18,00,000
3.	Sh. Toshak Garg	18,00,000	18,00,000
4.	Ms. Amandeep Kaur	-	-
5.	Ms. Purti Katyal*	-	-
6.	Ms. Mehak Jain#	-	-
7.	Ms. Shruti Gupta	-	-

*Ms. Purti Katyal has resigned w.e.f. 14.08.2025 from the Board of the Company as a Non-Executive Independent Director.

#Ms. Mehak Jain was appointed as a Non- Executive Independent Director of the Company w.e.f. 14.08.2025

CRITERIA FOR MAKING PAYMENTS TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As per the Nomination & Remuneration Policy of the Company, the Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Key Managerial Personnel and Executive Directors. The Board and the Committee considers the provisions of the Companies Act, 2013 and approving the remuneration of the Key Managerial Personnel and Executive Directors.

The remuneration, as the case may be paid to the Executive Directors, shall be in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / Shareholders.

Note:

There are no stock options, pension, bonuses, benefits, service contracts, severance fees, fixed component and performance linked incentives along-with the performance criteria to the Directors.

GENERAL BODY MEETINGS:

1. The details of the last three Annual General Meeting(s) of the Company are given as follows:

Year	Day and Date	Time	Venue	No. of Special Resolutions
2024-2025	Monday, 15th September, 2025	11:00 A.M.	Registered Office of the Company situated at Kanganwal Road, V.P.O. Jugiana, G T. Road, Ludhiana- 141120	1
2023-2024	Monday, 30th September, 2024	01:00 P.M.	Registered Office of the Company situated at Kanganwal Road, V.P.O. Jugiana, G T. Road, Ludhiana- 141120	8
2022-2023	Friday, 22nd December, 2023	01:00 P.M.	Registered Office of the Company situated at Kanganwal Road, V.P.O. Jugiana, G T. Road, Ludhiana- 141120	8

2. POSTAL BALLOT/ EXTRA-ORDINARY GENERAL MEETING

The Company has not conducted any Postal Ballot Exercise and Extra-Ordinary General Meeting during the Financial Year ended March 31, 2026 and no Special Resolution is proposed to be conducted through Postal Ballot.

MEANS OF COMMUNICATION:

a) Prior intimation of the Board Meeting to consider and approve the Unaudited/ Audited Financial Results of the Company is submitted to the Bombay Stock Exchange ["BSE" / "Stock exchange"] and also disseminated on the website of the Company.

b) The Quarterly/ Half Yearly / Annual Financial Results of the Company are published generally through Financial Express (English Newspaper), Desh Sewak (Punjabi Newspaper) and are also posted on the Company's website i.e. www.gargfurnacelimited.com

c) The Company's website i.e. www.gargfurnacelimited.com also contains an exclusive section on '**Investors'** which enables them to access information such as Quarterly / Half Yearly / Annual Financial Statements, Corporate Governance, Shareholding Patterns.

d) Whether it also displays official news releases- Yes

e) SEBI Complaints Redress System ("SCORES") is a web based complaint redress system. Action Taken Reports (ATRs) on the investor complaint(s) are uploaded on the SCORES for online viewing by investors of actions taken on the complaint by the Company and its current status.

f) Presentations made to institutional investors or to the analysts: No presentations have been made to institutional investors or to the analysts during the year under review.

GENERAL SHAREHOLDER INFORMATION

Day & Date of 53rd Annual General Meeting	Saturday, 29th Day of August, 2026
Financial Year	2025-2026
Time	At 1:00 P.M.
Venue	Registered Office of the Company situated at Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana- 141120
Date of Book Closure	Sunday, 23rd August, 2026 and ends on Saturday, 29th August, 2026 (both days inclusive)
Listing on Stock Exchanges	The Equity Shares of the Company are listed on the following Stock Exchange:- BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
ISIN	INE194E01015
Dividend Payment Date	Not Applicable

Listing Fee / Annual Custody Fee:
The Annual Listing Fee has been paid to BSE for the financial year 2026-2027. The Company has also made the payment of Annual Custody fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2026-2027.

In case the securities are suspended from trading, the directors report shall explain the reason thereof: Not Applicable

Registrar & Share Transfer Agent:

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
UNIT: Garg Furnace Limited
D-153 A, 1st Floor, Okhla Industrial, Area,
Phase-I, New Delhi-110020.
Tel: 011- 64732681-88
Web: www.skylinerta.com

Share Transfer System:
Stakeholders Relationship Committee has been constituted to approve all the transfers, transmission, Demat/ remat of shares etc. and all the share transfer/transmission/transposition/ dematerialization/ re-materialization are handled by our Registrar and Transfer Agents i.e. Skyline Financial Services Pvt. Ltd. During the year under review, requests received, if any for transfer/ transmission/ dematerialization/ re-materialization of shares etc. has been duly completed as per the prescribed provisions and regulations of the SEBI (LODR), Regulations, 2015 along with circulars issued thereunder.

Distribution of Shareholding as on March 31, 2026:

S. No.	Distribution of No. of Shares	No. of Shareholders	% age of No. of Shareholders	No. of Shares held	% age of shares held
1	1-500	2652	84.97	314501	4.62
2	501-1000	218	6.98	174724	2.57
3	1001-2000	102	3.27	149356	2.19
4	2001-3000	40	1.28	103454	1.52
5	3001-4000	20	0.64	68348	1.00
6	4001-5000	14	0.45	67048	0.98
7	5001-10000	41	1.31	309700	4.55
8	10001 to above	34	1.09	5621569	82.56
	Total	3121	100.00	6808700	100.00

Commodity price risk or foreign exchange risk and hedging activities: NIL

Shareholding pattern as on 31.03.2026:

Category	No. of Shares	% age
Promoters & Promoters Group	3874901	56.91
Bodies Corporate, Mutual Fund, Public and Others	2933799	43.09

Dematerialization of Equity Shares and Liquidity:
As on March 31, 2026, 71.74% of the total equity share capital of the Company (4884500 Equity Shares) were held in de-materialized form. The Company has entered into agreements with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for de-materialization of shares through Skyline Financial Services Pvt. Ltd., Registrar & Transfer Agent (RTA) of the Company.

Secretarial Compliance Report
SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit

from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/ guidelines issued there under. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR–3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

Reconciliation of Share Capital Audit:
As stipulated by SEBI under Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, a Company Secretary in whole time practice carries out Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's Shares are listed. The audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in de-materialized form (held with NSDL and CDSL) and total number of shares in physical form.

Outstanding GDR/ADR/Warrants or any convertible instruments, conversion instruments, conversion date and impact on equity:
Not Applicable.

Plant Locations: NIL
Disclosure of Commodity price risk and commodity hedging activities: Not Applicable

Address for Correspondence:

Company	Registrar and Share Transfer Agent (RTA)
The Company Secretary Garg Furnace Limited Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana-141120 Website: www.gargfurncace@yahoo.com Ph. No. 0161-2512285	M/s Skyline Financial Services Pvt. Ltd, D-153 A, 1st Floor, Okhla Industrial, Area, Phase-I, New Delhi-110020. Tel: 011- 64732681-88 Web: www.skylinerta.com

For any assistance regarding Share Transfer(s), Transmission(s), Change of Address, issue of Duplicates/ Lost share certificate(s)/De-materialization/ Re-materialization of Share(s) and other relevant matters please write to the Registrar and Transfer Agent (RTA) of the Company.

Further, Members are required to note that, in respect of shares held in de-materialized form, they will have to correspond with their respective Depository Participants (DPs) for any change related to Address, Bank details or any other related matter.

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad: On July

31, 2024 from CIRISIL Ratings Limited received CIRISIL BBB-/Stable (Assigned) link for the same is Rating Rationale.

OTHER DISCLOSURES

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large:**
  As on March 31, 2026, Related Party Transactions was entered into with Group Companies and with related parties as per given at Note No. 39 to the Financial Statements of the Company. All the related party transactions were in the ordinary course of business and on Arm's length basis and are not in conflict with the interest of the Company.
- **Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**
  The Company had received notices for non-compliances of regulations of SEBI (LODR), Regulations, 2015 during the last three years details of the same is given below:

Regulations	Quarter /Month	Date of Notice (Review letter)	Due Date	Date of Submission	Whether first/ subsequent and consecutive non-compliance	Total Fine levied (incl.GST@18%)	Fine Outstanding
SOP-Reg-17(1)	Mar-23	22-05-2023	21-04-2023			442500	442500
SOP-Reg-19(1)/19(2)	Mar-23	22-05-2023	21-04-2023			177000	177000

Further, the Company has paid the penalty after settlement and waive off aggregate Amount Rs. 638701/- (including GST of Rs. 97333/-) on 19.10.2023

Further, the Company has complied with all requirements specified under the Listing Regulations as well as other regulations and SEBI guidelines.

- **Vigil Mechanism / Whistle Blower Policy**
  Pursuant to Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy / Vigil Mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. Further the Audit Committee reviews and ensures the adequacy of the system laid down by the Company for the said purpose and no concern was reported during the Financial Year ended 31.03.2026. The said policy is also posted on the website of the Company and the web link for the same is www.gargfurnacelimited.com

- **Weblink where policy for determining 'material' subsidiaries is disclosed:**
  As on March 31, 2026, your Company does have any Subsidiary, However, does not have Material Subsidiary.

- **Web link where policy on dealing with related party transactions:**
  Your Company has also framed a Policy on Related Party Transactions for purpose of identification and monitoring of such transactions in line with the requirements of the Companies Act, 2013 and Listing Regulations, which can also be accessed from the Company's website at www.gargfurnacelimited.com
- **Other Policies:**
  Your Company has also framed the Policies (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct as required under SEBI (Prohibition of Insider Trading) Regulations, 2015 (iii) Policy on inquiry in case of leak of unpublished price sensitive information (UPSI) and the same is available on the website of Company at www.gargfurnacelimited.com

- **Secretarial Compliance Report:**
  SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR-3 and is required to be submitted to Stock Exchanges within 60 days of the end of Financial year.

- **Certificate from Practicing Company Secretary**
  Certificate as required under Part C of Schedule V of Listing Regulations, received from Smt. Pooja Damir Miglani Prop of M/s. PDM & Associates (C.P. 25003), Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 14.08.2025.

- **Disclosure of Commodity price risk and commodity hedging activities**
  Not Applicable

- **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**
  Funds utilised for making Vaneera Industries Limited a 51% Subsidiary of Garg Furnace Limited.

- **Recommendations of any committee**
  In the financial year 2025-2026, the Board has accepted all the recommendations of all its committee.

- **Fees paid to Statutory Auditors**
  During the year under review, company paid Audit fees of Rs. 4,50,000/- per annum inclusive of

certification charges and out of pocket expensive to Statutory Auditors.

- **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
  The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2025-2026 are as under:
  a. number of complaints filed during the financial year: NIL
  b. number of complaints disposed of during the financial year: NIL
  c. number of complaints pending as on end of the financial year: NIL
- **Compliance of the provisions relating to the Maternity Benefit Act 1961:**
  During the year under review, the Company has complied with the provisions relating to the Maternity Benefit Act 1961.

- **Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by the name and amount**
  Not applicable.

- **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**
  NIL
- **Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed:**
  The Company has complied with all the requirements of Corporate Governance Report from sub-paras(2) to (10) of Part C of Schedule V of SEBI (LODR), Regulations, 2015.

- **Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**
  As on March 31, 2026, the Company has fully complied with the mandatory requirements as stipulated under Listing Regulations. The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the Listing Regulations is being reviewed by the Board.

- **Discretionary Requirements**
  The extent to which the discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been adopted:

The Board

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

Shareholders rights

The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to BSE/Stock Exchange and updated on the website of the Company.

Modified opinion(s) in audit report

There is no modified opinion in the audit report

Reporting of Internal Auditor

In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports to the Audit Committee. Internal audit reports submitted on quarterly basis are reviewed by the Audit Committee and suggestion / directions, if any, are given for necessary action.

- **Disclosure of Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of Listing Regulations:**

  Pursuant to Schedule V of Listing Regulations, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter/heads:
  - Board of Directors
  - Maximum number of directorships
  - Audit Committee
  - Nomination and Remuneration Committee
  - Stakeholders' Relationship Committee
  - Risk Management Committee – Not Applicable
  - Vigil Mechanism
  - Related Party Transactions
  - Corporate governance requirements with respect to subsidiary of Company - Not Applicable
  - Secretarial Audit and Secretarial Compliance Report
  - Obligations with respect to Independent Directors
  - Obligations with respect to Directors and senior management
  - Other Corporate governance requirements as stipulated under the Regulations
  - Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

Disclosures with respect to demat suspense account/ unclaimed suspense account

(1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; NIL

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year; NIL

(c) number of shareholders to whom shares were transferred from suspense account during the year; NIL

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; NIL

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares; Not Applicable

Disclosure of certain types of agreements binding listed entities (1) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations: During the year under review, the company has not entered into any such kind of agreements.

For and on the behalf of Board of Directors

For Garg Furnace Limited

(Devinder Garg)
Chairman and Managing Director
DIN: 01665456

Place: Ludhiana
Date: 31.07.2026

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I hereby declare that all the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March 2026.

For Garg Furnace Limited

Place: Ludhiana
Date: 30.05.2026

Devinder Garg
Chairman and Managing Director

CEO/CFO CERTIFICATION

We the undersigned hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2026 and that to the best of their knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year ended 31st March, 2026 which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity 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 we have taken or propose to take to rectify these deficiencies.

D. We have confirmed that there were no:

(1) significant changes in internal control over financial reporting during the year;
(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant

Place: Ludhiana **For Garg Furnace Limited**
Date: 30.05.2026

Devinder Garg
Chairman and Managing Director

Gurmeet Singh Battu
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members
Garg Furnace Limited
(CIN: L99999PB1973PLC003385)

1. We have been approached by Garg Furnace Limited ("Company") to examine the compliance with the conditions of Corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, for the financial year ended on 31st March, 2026.

2. **Management's Responsibility**
   The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

3. **Our Responsibility**
   Our responsibility is limited to conduct an examination of the systems, internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

4. **Opinion**
   In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March 2026.

5. **Disclaimer**
   5.1 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
   5.2 The report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PDM & Associates
(Company Secretaries)

Pooja Damir Miglani
(FCS No. 25988)
(C. P No. 25003)

Place: Ludhiana
Date: 14.07.2026
UDIN: A025988H000836261
Peer Review Certificate No: 6237/2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Garg Furnace Limited
Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana-141120, Punjab

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Garg Furnace Limited having CIN: L99999PB1973PLC003385 and having registered office at Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana-141120, Punjab (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sh. Devinder Garg	01665456	01.08.2015
2.	Smt. Vaneera Garg	01283990	14.11.2015
3.	Sh. Toshak Garg	03503511	14.08.2023
4.	Ms. Amandeep Kaur	07728094	31.03.2023
5.	Ms. Mehak Jain#	11152162	14.08.2025
6.	Ms. Shruti Gupta	10310259	23.07.2024
7.	Ms. Purti Katyal*	09251560	14.08.2023

*Ms. Purti Katyal has resigned w.e.f. 14.08.2025 from the Board of the Company as a Non-Executive Independent Director.

#Ms. Mehak Jain was appointed as a Non- Executive Independent Director of the Company w.e.f. 14.08.2025

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PDM & Associates
(Company Secretaries)

Pooja Damir Miglani
(FCS No. 25988)
(C. P No. 25003)

Place: Ludhiana
Date: 14.07.2026
UDIN: A025988H000836292
Peer Review Certificate No: 6237/2024

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 53rd Annual General Meeting of the Company, to be held on Saturday, 29th day of August, 2026 at 1:00 P.M. and at any adjournment thereof in respect of such resolutions to be proposed at such 53rd Annual General Meeting

Signed this .... day of 2026
Signature of Shareholder ....
Signature of Proxy holder(s) ....

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Company's Registered Office, not less than 48 hour before the commencement of the Meeting.

GARG FURNACE LIMITED

CIN: L99999PB1973PLC003385
Regd. Office: Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana-141120
Phone: +91-2512285, 8437004842
Email: gargfurnace@yahoo.com Web: www.gargfurnacelimited.com

ATTENDANCE SLIP

53rd ANNUAL GENERAL MEETING ON 29th DAY OF AUGUST, 2026

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 53rd Annual General Meeting of the Company, to be held on Saturday, 29th day of August, 2026 at 1:00 P.M. at Registered Office of the Company.

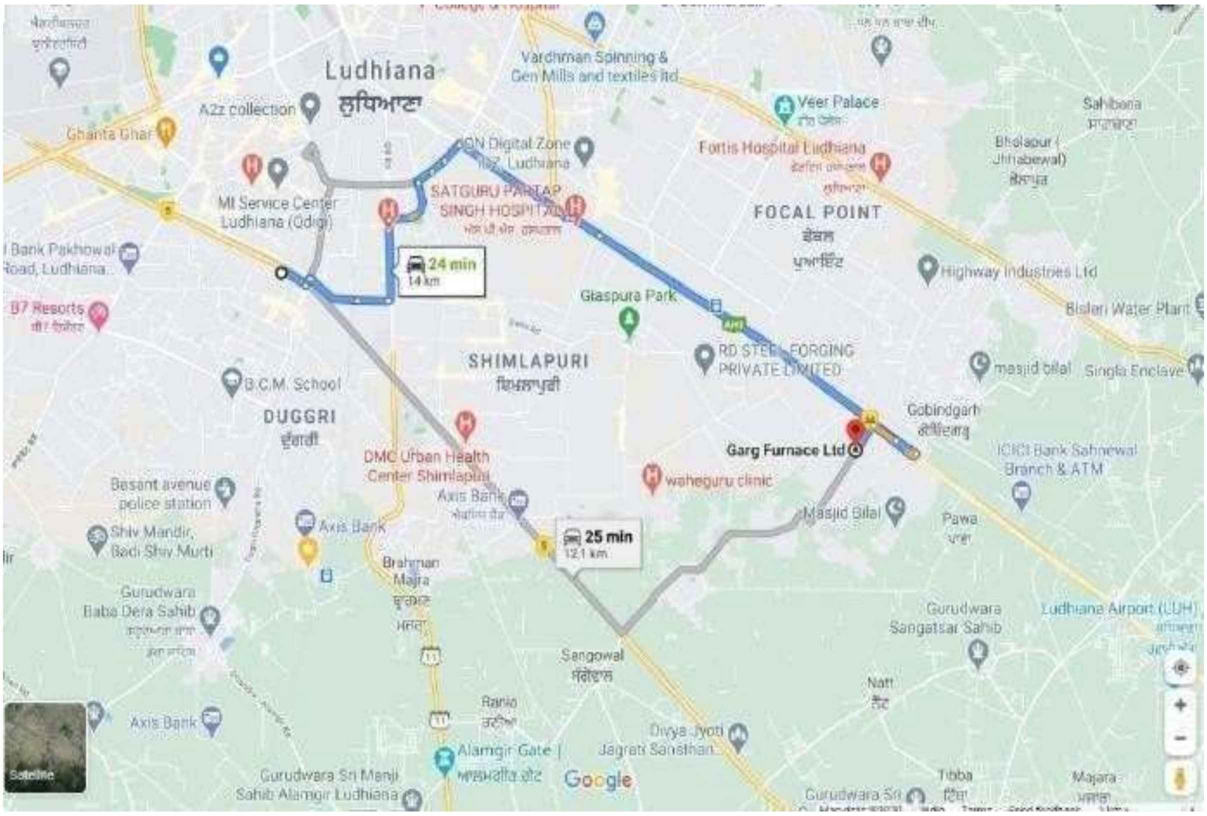
Member/ Proxy Signature

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 53rd Annual General Meeting. The voting time starts from **Wednesday, 26th August, 2026 (9.00AM IST) and ends on Friday, 28th August, 2026 (5.00PM IST)**. The voting module shall be disabled by CDSL for voting thereafter.

VENUE OF AGM

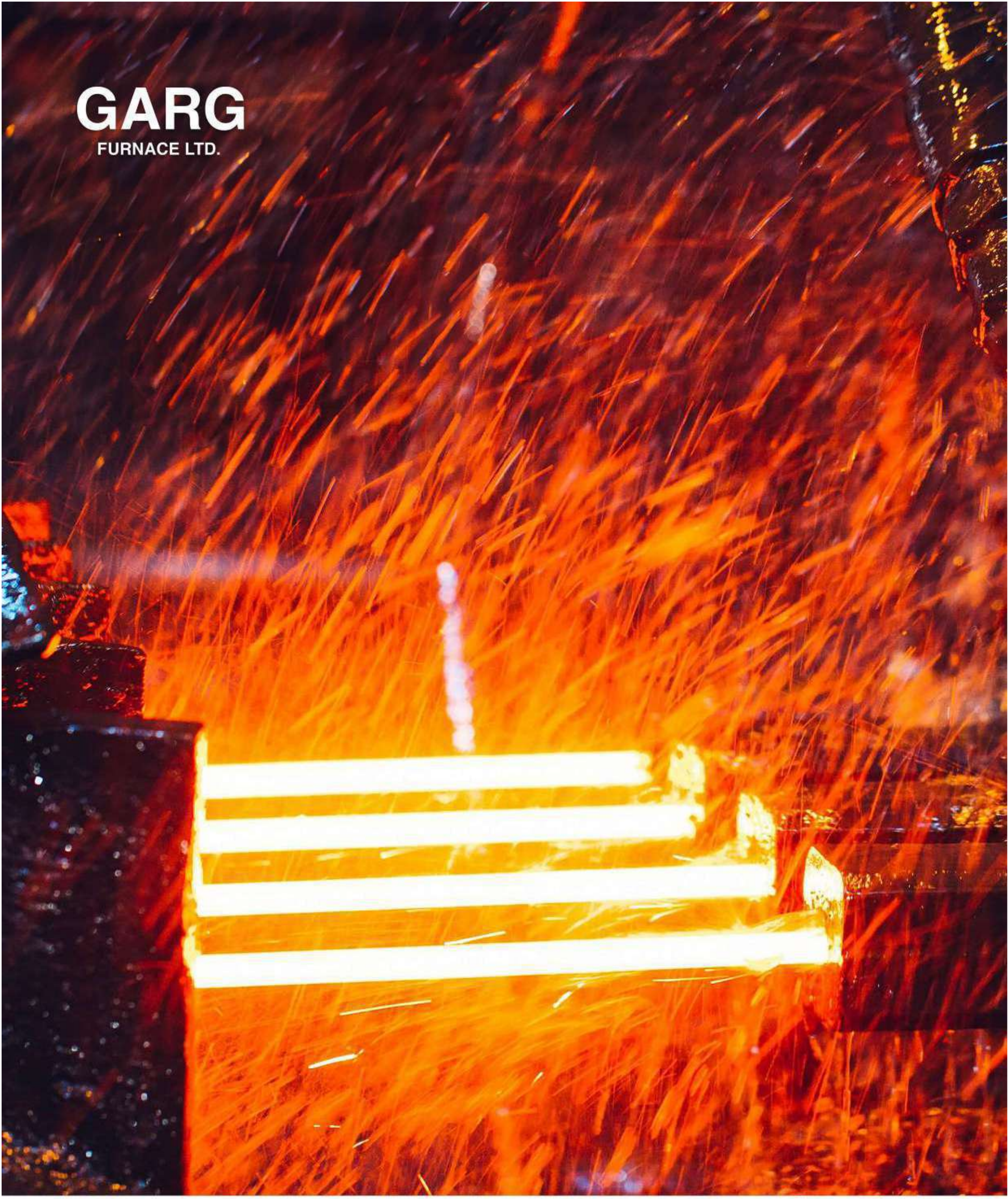


If undelivered please return to:

GARG FURNACE LIMITED

Regd. Office : Kanganwal Road, V.P.O. Jugiana,

G.T. Road, Ludhiana-141-120



+91-98557 00080

info@gargfurnacelimited.com

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226-a, tagore nagar, ludhiana, punjab - 141001
voice : +91-161-2301394, +91-161-4500426
facsimile : +91-161-2302083
mail : aditya@ashwaniassociates.in
web : www.ashwaniassociates.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GARG FURNACE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Garg Furnace Limited** ("the Company") **(CIN: L99999PB1973PLC003385)**, which comprise the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of material 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 the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA"s) 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 ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

S.no.	Key Audit Matter	Auditors' Response
1.	**Valuation of Inventories:** Refer note 2 and note **8** of the Standalone Financial Statements.	**Principal Audit Procedures:** We obtained assurance over the appropriateness of the management

ASHWANI & ASSOCIATES FRN: 000497N LUDHIANA CHARTERED ACCOUNTANTS

	As at March 31, 2026, the Company held inventories amounting to ₹1,957.87 lakhs, comprising stores and spares, raw materials, work-in-progress and finished goods. Inventories are measured at the lower of cost and net realisable value in accordance with Ind AS 2, "Inventories". The assessment of net realisable value and determination of provisions for slow-moving, obsolete or non-moving inventories involve significant management judgment and estimation. Management considers factors such as inventory ageing, historical consumption patterns, current market conditions, expected future demand and planned utilisation or sale of inventory while assessing the adequacy of inventory provisions. Considering the materiality of the inventory balance and the significant judgments involved in determining the recoverability and valuation of inventories, we identified this matter as a Key Audit Matter.	assumptions applied in calculating the value of the inventories and related provisions by: • Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk. • Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. • Reviewing the document and other record related to physical verification of inventories done by the management during the year. • Verifying for a sample of individual products that costs have been correctly recorded. • Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. • Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. Also Reviewing the estimate and basis of provision made on specific inventories. • Recomputing provisions recorded to verify that they are in line with the Company policy. **Our Conclusion:** Based on the audit procedures performed, we did not identify any material exceptions in the Inventory valuation.

Information Other than Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

ASHWANI & ASSOCIATES
FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

Responsibilities of Management and Those Charged with Governance for the Standalone 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of our 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 control 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 with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the 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

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LUDHIANA
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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 a 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 Standalone 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 Standalone 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 reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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.

   e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating

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effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 34

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared, paid or propose to pay any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended 31st March, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered

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with and the audit trial has been preserved by the company as per the statutory requirements for the record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI ASSOCIATES FRN:000497N LUDHIANA CHARTERED ACCOUNTANTS

Arvind Jain
Partner
Membership No.:097549
UDIN: 26097549HTVSIR5901

Place: Ludhiana
Dated: 30th May, 2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Garg Furnace Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of **Garg Furnace Limited** ("the Company") as of 31st March, 2026 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 Company's Management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements 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 (the "ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Standalone 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 with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that

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transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March, 2026, based on the criteria for internal financial control with reference to Standalone Financial Statements 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 ICAI.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI & ASSOCIATES
FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

Arvind Jain
Partner
Membership No.:097549
UDIN: 26097549HTVSIR5901

Place: Ludhiana
Dated: 30th May, 2026

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Garg Furnace Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company does not have any intangible assets.

(b)The Company has a regular programme of physical verification of the Property, Plant and Equipment at reasonable intervals. In accordance with this programme, certain items of Property, Plant and Equipment were verified during the year, and no material discrepancies were noticed on such verification.

(c) The Company has all the original title deeds of immovable properties in its own name.

(d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and, the coverage and procedure of such verification is appropriate having regard to the size of the Company and the nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed between the physical stock of inventory and the books of accounts.

(b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores during the year, therefore reporting under clause 3(ii)(b) of the order is not applicable to the company.

iii. The Company has made investments in other companies during the year. It has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(a) The company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity, hence reporting under clause 3(iii)(a) is not applicable to the company.
(b) The investments made during the year are not prejudicial to the company's interest.

(c) The company has not given any loans and advances in the nature of loans during the year, hence reporting under clause 3(iii)(c), (d), (e) and (f) is not applicable to the company.

iv. The company has not given any loan to directors, etc. under section 185 of the Companies Act. In respect of the investments made by the company, all the provisions of section 186 of the Companies Act have been complied by the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence, reporting under Clause 3(v) of the order is not applicable.

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vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2026 for a period of more than six months from the date they became payable except the following: -

Sr. No	Name of the Statute	Nature of the Dues	Amount (in Rs. Lakhs)	Period to which amount relates
1.	The Punjab Labour Welfare Fund Act, 1965	Punjab Labour Welfare Fund	2.68	Up to Financial year 2025-26
2.	The Punjab State Development Tax Act, 2018	Professional Tax	0.25	Up to Financial year 2025-26

(b)According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, cess, sales tax, service tax, value added tax, customs duty, goods and services tax and excise duty which have not been deposited on account of a dispute except as follows:

Name of the Statute	Nature of the dues	Amount (in lakhs)	Period to which the amount relates	Forum where Dispute is pending
Central Goods and Service Tax Act, 2017	CGST & SGST	5.04	Financial Year 2019-20	Joint Commissioner

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The company has not defaulted in any repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has obtained a term loan during the year and the term loan so obtained has been utilised for the purpose for which it was obtained.

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(d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (Including Debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has made a preferential allotment of 18,00,000 equity shares at a price of ₹ 195/- per share (face value of Rs. 10/- and Security premium of Rs. 185/-) to the promoter group and others. The Company has complied with requirements of Section 42 of Act with respect to such preferential allotment and the amounts so raised have been used for the purposes for which the funds were raised.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) No whistle-blower complaints were received during the year by the Company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe

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that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There is no amount remaining unspent under section (5) of section 135 of Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI & ASSOCIATES
FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

Arvind Jain
Partner
Membership No.:097549
UDIN: 26097549HTVSIR5901

Place: Ludhiana
Dated: 30th May, 2026

GARG FURNACE LIMITED
(CIN: L99999PB1973PLC003385)
Standalone Balance Sheet as at 31st March, 2026
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
Non-current assets			
a) Property, Plant and Equipment	3	1,416.92	1,445.33
b) Capital work-in-progress	3.1	11.55	11.55
c) Financial Assets			
i) Investments	4	3,668.17	402.80
ii) Trade Receivables	5	86.59	80.24
iii) Other financial assets	6	283.55	283.55
d) Other non-current assets	7	20.82	20.82
		5,487.60	**2,244.29**
Current assets			
a) Inventories	8	1,957.87	1,616.54
b) Financial assets			
i) Trade Receivables	9	1,977.53	2,322.42
ii) Cash and Cash equivalents	10	349.90	997.46
iii) Bank balances other than (ii) above	11	529.53	276.78
iv) Other financial asset	12	19.68	39.98
c) Current Tax Assets (Net)	13	26.27	23.18
d) Other current assets	14	2,983.15	271.03
		7,843.93	**5,547.39**
Total Assets		**13,331.53**	**7,791.68**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	15	680.87	500.87
b) Other Equity	16	9,206.49	5,723.96
		9,887.36	**6,224.83**
LIABILITIES			
Non-current liabilities			
a) Financial Liabilities			
i) Borrowings	17	1,247.68	129.69
b) Provisions	18	8.39	17.40
c) Deferred Tax Liabilities (Net)	19	77.90	-
		1,333.97	**147.09**
Current liabilities			
a) Financial Liabilities			
i) Borrowings	20	504.47	10.44
ii) Trade payables :-	21		
(A) Total outstanding dues of Micro enterprises and small enterprises; and		28.24	9.84
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		933.53	698.71
iii) Other financial liabilities	22	190.38	14.42
b) Other current liabilities	23	432.33	679.59
c) Provisions	24	21.25	6.76
		2,110.20	**1,419.76**
Total Equity and Liabilities		**13,331.53**	**7,791.68**

Corporate information	1
Material accounting policies	2

See accompanying notes forming part of standalone financial statements

As per our report of even date attached
For Ashwani & Associates
Chartered Accountants
Firm Registration Number 000497N
by the hand of

ASHWANI & ASSOCIATES FRN:000497N LUDHIANA CHARTERED ACCOUNTANTS

Arvind Jain
Partner
M. No. 097549

Place : Ludhiana
Date : 30.05.2026

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Tushak Garg
Managing Director
DIN: 03503511

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

GARG FURNACE LIMITED
(CIN: L99999PB1973PLC003385)

Standalone Statement of Profit and Loss for the period ended 31st March, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	Notes	For the period ended on 31st March, 2026	For the period ended on 31st March, 2025
I	**INCOME**			
	Revenue From Operations	25	28,929.97	26,161.49
	Other Income	26	50.04	170.02
	Total Income (I)		**28,980.01**	**26,331.51**
II	**EXPENSES**			
	Cost of materials consumed	27	15,851.22	17,705.93
	Purchase of Stock-in-Trade		9,439.36	5,392.63
	Change in inventories of finished goods, Stock-in-Trade and work -in-progress	28	(563.68)	(799.42)
	Employee benefits expense	29	229.43	216.55
	Finance costs	30	45.19	11.10
	Depreciation and amortization expense	31	177.68	164.36
	Other expenses	32	2,693.90	2,876.77
	Total Expenses (II)		**27,873.10**	**25,567.92**
III	**Profit/(loss) before exceptional items and tax (I-II)**		**1,106.91**	**763.59**
IV	Exceptional items		-	-
V	**Profit/(loss) before Tax (III+IV))**		**1,106.91**	**763.59**
VI	**Tax expense:**			
	(1) Current tax		-	-
	(2) Deferred tax	19	77.64	-
	(3) Taxes related to earlier years		-	-
	Total Tax Expense (VI)		**77.64**	-
VII	**Profit/(loss) for the year (V-VI)**		**1,029.27**	**763.59**
VIII	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurement gain/(loss) of defined benefit obligation (net of taxes)		(0.41)	4.33
	(ii) Net (loss)/gain on FVOCI equity securities (net of taxes)		1.18	0.82
	Other Comprehensive Income for the year (VIII)		**0.77**	**5.14**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**1,030.04**	**768.74**
X	**Earnings per equity share**	33		
	Basic		16.36	15.88
	Diluted		16.36	14.16

Corporate information	1
Material accounting policies	2

See accompanying notes forming part of standalone financial statements

As per our report of even date attached
For Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI & ASSOCIATES
FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

Arvind Jain
Partner
M. No. 097549

Place : Ludhiana
Date : 30.05.2026

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Toshak Garg
Managing Director
DIN: 03503511

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

GARG FURNACE LIMITED
(CIN: L99999PB1973PLC003385)
Standalone Cash Flow Statement for the year ended 31st March, 2026
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year Ended 31st March, 2026		For the year ended on 31st March, 2025	
A Cash flow from operating activities				
Profit/(loss) before Tax		**1,106.91**		**763.59**
Adjustments for:				
Depreciation and amortisation	177.68		164.36	
Net (profit)/loss on sale of fixed assets	-		(4.28)	
Finance costs	45.19		11.10	
Exchange Rate Fluctuations	-		0.20	
Unrealised Loss on Investments	0.51		-	
Allowances for expected credit loss and doubtful receivables	3.57		10.42	
Provision Written Back	(0.23)		-	
Rental Income	(1.80)		-	
Interest income on deposits	(47.50)		(70.76)	
		177.42		111.04
Operating profit before working capital changes		**1,284.33**		**874.63**
Changes in working capital:				
Decrease/(Increase) in inventories	(341.33)		(853.73)	
Decrease/(Increase) in trade and other receivables	(2,356.85)		(25.45)	
Increase/(Decrease) in trade payables and other liabilities	186.84		351.42	
		(2,511.34)		(527.76)
Cash generated from operations		**(1,227.01)**		**346.87**
Taxes paid		(3.09)		32.68
Net cash flow from/(used in) operating activities (A)		**(1,230.12)**		**379.55**
B Cash flow from investing activities:				
Investment made during year		(3,264.04)		-
Proceeds from sale of property, plant and equipment		-		6.75
Purchase of property, plant and equipment		(149.27)		(202.62)
(Increase)/ Decrease in Term Deposits		(252.75)		(376.89)
Rent Received		1.80		-
Interest income on deposits		47.50		30.77
Net cash flow from/(used in) investing activities (B)		**(3,616.76)**		**(541.99)**
C Net cash flow from financing activities:				
Proceeds/(Repayments) of short term borrowings		494.03		(1.04)
Exchange Rate Fluctuations		-		-
Proceeds/(Repayments) of Long term borrowings		1,117.99		(10.44)
Moneys received against share warrants		2,632.48		585.00
Finance Cost Paid		(45.19)		(11.10)
Net cash flow from/(used in) financing activities (C)		**4,199.31**		**562.42**
Net change in Cash & cash equivalents (A+B+C)		**(647.57)**		**399.98**
Cash & cash equivalents as at the beginning of year		997.46		597.48
Cash & cash equivalents as at end of the year*		**349.89**		**997.46**
*** Comprises**				
Balances with banks in current account and Balance in Deposit Accounts		342.05		975.86
Cash on hand		1.34		1.73
Cheques on hand		6.51		19.87
		349.90		**997.46**

Corporate information 1
Material accounting policies 2
See accompanying notes forming part of standalone financial statements

As per our report of even date attached
For Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI & ASSOCIATES
FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

Arvind Jain
Partner
M. No. 097549

Place : Ludhiana
Date : 30.05.2026

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Tarlak Garg
Managing Director
DIN: 03503511

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

GARG FURNACE LIMITED
(CIN: L99999PB1973PLC003385)
Standalone Statement of Changes in Equity for the year ended 31st March, 2026
(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity Share capital

(1) Current reporting period from 1st April, 2025 to 31st March, 2026

Balance at the beginning of the current reporting period 1st April, 2025	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at the end of the current reporting period 31st March,2026
500.87	-	500.87	180.00	680.87

(2) Previous reporting period from 1st April,2024 to 31st March,2025

Balance at the beginning of the current reporting period 1st April, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at the end of the current reporting period 31st March, 2025
460.87	-	460.87	40.00	500.87

B. Other Equity

(1) Current reporting period from 1st April, 2025 to 31st March, 2026

Particulars	Reserves and Surplus				Other Comprehensive Income		Monies received against share warrants	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of Defined benefit obligation	Equity instruments through Other Comprehensive Income		
Balance at the beginning of the current reporting period 1st April, 2025	23.50	2,415.31	1,899.24	480.42	9.82	18.18	877.49	5,723.96
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)	-	-	-	-	(0.41)	-	(877.49)	(877.90)
Net (loss)/gain on FVOCI equity securities	-	-	-	-	-	1.18	-	1.18
Profit for the year transferred from statement of profit and loss	-	-	-	1,029.27	-	-	-	1,029.27
Issue of Equity/Share Warrants	-	3,329.98	-	-	-	-	-	3,329.98
Balance as at the end of the current reporting period 31st March,2026	23.50	5,745.29	1,899.24	1,509.69	9.41	19.36	-	9,206.49

(2) Previous reporting period from 1st April,2024 to 31st March,2025

Particulars	Reserves and Surplus				Other Comprehensive Income		Monies received against share warrants	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of Defined benefit obligation	Equity instruments through Other Comprehensive Income		
Balance at the beginning of the current reporting period 1st April, 2024	23.50	1,675.31	1,899.24	(283.17)	5.49	17.37	1,072.49	4,410.23
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)	-	-	-	-	4.33	-	-	4.33
Net (loss)/gain on FVOCI equity securities (Net of Taxes)	-	-	-	-	-	0.82	-	0.82
Profit for the year transferred from statement of profit and loss	-	-	-	763.59	-	-	(195.00)	568.59
Issue of Equity/Share Warrants	-	740.00	-	-	-	-	-	740.00
Balance as at the end of the current reporting period 31st March,2025	23.50	2,415.31	1,899.24	480.42	9.82	18.18	877.49	5,723.96

Corporate information 1
Material accounting policies 2
See accompanying notes forming part of financial statements

As per our report of even date attached
For Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

FRN:000497N
LUDHIANA
ASHWANI & ASSOCIATES
CHARTERED ACCOUNTANTS

Arvind Jain
Partner
M. No. 097549

Place : Ludhiana
Date : 30.05.2026

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Toshak Garg
Managing Director
DIN: 03503511

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

GARG FURNACE LIMITED
CIN: L99999PB1973PLC003385
Notes to Standalone Financial Statements for the year ended 31st March, 2026

1. **Corporate Information**

   Garg Furnace Limited ("the Company") (CIN: L99999PB1973PLC003385) is a public company domiciled in India and incorporated under the provisions of Companies Act. Its equity shares are listed on Bombay Stock Exchange Limited (BSE). The registered office of the Company is situated at Kanganwal Road Jugiana G.T. road, Ludhiana. The Company is engaged in the business of manufacturing and trading of Iron and Steel products such as M.S. Round, Billet, Ingot, Wire Rod etc.

   The Financial Statements are approved for issue by Companies Board of Directors on 30th May, 2026.

2. **A. Material accounting policies / critical accounting estimates and judgements**

I. Statement of Compliance

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards ("IND AS") specified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time. The financial statements have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

II. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. Functional and presentation currency

The functional currency of the company is Indian rupee (INR). The financial statements are presented in Indian rupees (INR) and all values are rounded to nearest lakh up to two decimals, unless otherwise stated.

IV. Use of estimates and judgements

The preparation of financial statements, in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

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V. Current versus Non- current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle.

a. Held primarily for the purpose of trading.
b. Expected to be realized within twelve months after the reporting period, or
c. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A Liability is treated as current when:

a. It is expected to be settled in normal operating cycle.
b. It is held primarily for the purpose of trading.
c. It is due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

VI. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 —Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares financial instruments
- Financial instruments

VII. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment if any. Freehold land is stated at cost and not depreciated. The Cost of an item of Property, Plant and Equipment comprises:

- Its purchase price net of recoverable taxes wherever applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
- Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any, the obligation for which an entity incurs either where the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation on property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

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Depreciation is calculated on pro-rata basis from the date of installation till the date the asset is sold or discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

VIII. Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortisation and impairment if any. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method, estimated useful lives are reviewed periodically and at end of each reporting period.

IX. Impairment of Non-financial assets

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

X. Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores is computed on FIFO basis plus direct expenditure, Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

XI. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expense in the period in which they are incurred.

XII. Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

XIII. Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Garg Furnace Limited functional and presentation currency.

Foreign currency translations are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

XIV. Revenue recognition

The Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in a contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the Government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

"To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price

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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 criteria's 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 outstanding amount and the interest rate applicable.

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

XV. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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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.

XVI. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

XVII. Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

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- 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 outstanding amount.

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 outstanding amount.

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 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 instruments:
The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred

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financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

XVIII. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

XIX. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, short term compensated absence and ex-gratia including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(ii) Post-employment obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets (if any). The defined benefit obligation is calculated annually as per Valuation report given by Actuary on the basis of Guidance issued by The Actuarial Society of India.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has not further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

XX. Segment reporting

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Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. The managing committee is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in IND AS 108. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assess performance at this level. In the context of Ind AS 108 on 'Segment Reporting', the results are considered to constitute a single reportable entity/ business segment for which the operating results are regularly reviewed by the company's Chief Operating Decision Maker.

XXI. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

XXII. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing: The profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- 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 been outstanding assuming the conversion of all dilutive potential equity shares.

XXIII. Assets Held for Sale;

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively

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marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

XXIV. Events occurring after balance sheet date

There are no major events which have occurred after the balance sheet date requiring disclosure in the financial statements.

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Garg Furnace Limited
(CIN: L99999PB1973PLC003385)
Notes to the standalone financial statements for the period ended 31st March, 2026
(All amounts in ₹ Lakhs, unless otherwise stated)

3 Property, Plant and Equipment

a)Reconciliation of carrying amount as on 31st March, 2026

Particulars	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross carrying value							
Balance at 1st April, 2025	24.68	550.35	1,685.30	3.09	222.54	29.71	2,515.68
Additions made during the year	-	-	15.36	-	127.57	6.33	149.27
Disposals / adjustments during the year	-	-	-	-	-	-	-
Balance at 31 March, 2026	24.68	550.35	1700.66	3.09	350.11	36.04	2664.95
Accumulated Depreciation							
Balance at 1st April, 2025	-	170.05	799.57	2.74	78.68	19.30	1,070.35
Add: Depreciation charge for the year	-	18.93	128.43	0.02	25.80	4.50	177.68
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-
Accumulated depreciation at 31 March, 2026	-	188.98	928.00	2.76	104.48	23.80	1,248.03
Net Carrying Value							
At 31st March, 2026	24.68	361.37	772.66	0.33	245.64	12.24	1,416.92
At 31st March, 2025	24.68	380.30	885.73	0.35	143.86	10.41	1,445.33

b)Reconciliation of carrying amount as on 31st March, 2025

Particulars	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross carrying value							
Balance at 1st April, 2024	24.68	550.35	1,508.12	3.00	238.69	25.83	2,350.67
Additions made during the year	-	-	177.18	0.09	21.46	3.88	202.62
Disposals / adjustments during the year	-	-	-	-	(37.61)	-	(37.61)
Balance at 31st March, 2025	24.68	550.35	1,685.30	3.09	222.54	29.71	2,515.68
Accumulated Depreciation							
Balance at 1st April, 2024	-	151.12	679.27	2.73	92.10	15.91	941.14
Add: Depreciation charge for the year	-	18.93	120.30	0.01	21.73	3.39	164.36
Less: On disposals / adjustments during the year	-	-	-	-	(35.15)	-	(35.15)
Accumulated depreciation at 31st March, 2025	-	170.05	799.57	2.74	78.68	19.30	1,070.35
Net Carrying Value							
At 31st March,2025	24.68	380.30	885.73	0.35	143.86	10.41	1,445.33
At 31st March, 2024	24.68	399.23	828.84	0.27	146.59	9.92	1,409.53

Notes:

(i) No Borrowing Cost has been capitalized during the current and the previous year

(ii) Vehicle Loans are secured by the way of hypothecation of vehicles having carrying value of ₹ 200.77 Lakhs

(iii) The gross carrying amount of Plant & Machinery includes staff cost of ₹ Nil (₹1.25 lakhs in previous year) relating to project team involved in supervision and monitoring of projects.

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Garg Furnace Limited
(CIN: L99999PB1973PLC003385)
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3.1 Capital Work-in-Progress

a)Reconciliation of carrying amount as on 31st March, 2026

Particulars	As at 1st April, 2025	Additions	Capitalised	As at 31st March, 2026
Machinery under Erection	11.55	-	-	11.55

b)Reconciliation of carrying amount as on 31st March, 2024

Particulars	As at 1st April, 2025	Additions	Capitalised	As at 31st March, 2026
Machinery under Erection	-	144.47	132.92	11.55

- The Ageing/Completion Schedule for Capital Work-in Progress (CWIP) is as follows :

Capital Work-in-Progress (CWIP) ageing Schedule as on 31st March, 2026

Particulars	Amount of CWIP for the year ended on 31st March, 2026				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	-	-	-	-	-
Project temporarily suspended	-	11.55	-	-	11.55

Capital Work-in-Progress (CWIP) ageing Schedule as on 31st March, 2025

Particulars	Amount of CWIP for the year ended on 31st March, 2025				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	11.55	-	-	-	11.55
Project temporarily suspended	-	-	-	-	-

Capital Work-in-Progress (CWIP) Completion Schedule as on 31st March, 2026

Particulars	Amount of CWIP for the year ended on 31st March, 2026				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Growth Projects	-	11.55	-	-	11.55
Environment, safety and compliance	-	-	-	-	-

Capital Work-in-Progress (CWIP) Completion Schedule as on 31st March, 2025

Particulars	Amount of CWIP for the year ended on 31st March, 2025				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Growth Projects	-	-	-	-	-
Environment, safety and compliance	-	-	-	-	-

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(All amounts in ₹ Lakhs, unless otherwise stated)

4 Non-Current Investments

Particulars	As at 31st March, 2026	As at 31st March, 2025
Investments in Equity Instruments		
Quoted		
Investment carried at fair value through Profit and Loss (FVTPL)		
100 Equity Shares (Previous Year: 100) of Genesys International Corporation Limited	0.21	0.72
Unquoted		
(a) Investments Carried at fair Value through OCI (FVTOCI)		
2,12,000 (Previous year 2,12,000) fully paid up equity shares of ₹ 10 each of M/S Sudhir Forgings Private Limited.	40.96	39.38
(b) Investments Carried at Amortised Cost		
Investment in Subsidiary Company		
58,50,000 (Previous Year 58,50,000) fully paid up Equity Shares of Vaneera Industries Limited*	3,627.00	362.70
Total Non-Current Investments	3,668.17	402.80

Aggregate amount of quoted investments	0.72	0.72
Market value of quoted investments	0.21	0.72
Aggregate value of unquoted investments	3,667.96	402.08
Aggregate value of impairment in value of quoted investments(FVTPL)	0.51	-

(*In the previous year, Vaneera Industries Limited made allotment of shares with application money of 10% of the issue price of the share and only 10% of the subscription amount was paid, accordingly the investment was recognised as a partly-paid investment. During the current financial year, the Company paid the balance consideration amounting to 90% of the subscription value towards the equity shares of Vaneera Industries Limited. Consequent to payment of the remaining call money amount during the current year, the investment stands fully paid as on 31st March, 2026)

5 Non current Trade Receivables

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good)		
- Trade Receivable- considered good	17.82	-
- Trade Receivable which have significant increase in credit risk	103.28	111.18
- Less: Allowances for expected credit loss and doubtful receivables	(34.51)	(30.94)
Total Non-Current Trade Receivables	86.59	80.24

Expected Credit loss allowance for trade receivables is based on historical credit loss experience and adjustment for forward looking information. The computation of expected credit allowance for trade receivables is based on the provision matrix. The provision matrix takes into account external and internal risk factor and historical data of credit losses from various customers. The expected credit loss allowance is based on the ageing of the receivables that are used and the rates used in provision matrix.

Trade Receivables Ageing schedule as at 31st March, 2026

Particulars	Outstanding for the following periods from date of transaction*					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	-	17.82	-	-	17.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.25	60.93	61.18
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	42.10	42.10
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	-	-	17.82	0.25	103.03	121.10
Less: Allowance for expected credit loss and doubtful receivables						(34.51)
Total Trade Receivables						86.59

*** There are no specific due date of payment specified in respect of trade receivables, as such trade receivables ageing schedule is prepared on the basis of date of transaction.**

Trade Receivables Ageing schedule as at 31st March, 2025

Particulars	Outstanding for the following periods from date of transaction*					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	1.19	-	67.89	69.08
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	42.10	42.10
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	-	-	1.19	-	109.99	111.18
Less: Allowance for expected credit loss and doubtful receivables						(30.94)
Total Trade Receivables						80.24

*** There are no specific due date of payment specified in respect of trade receivables, as such the trade receivables ageing schedule is prepared on the basis of date of transaction.**

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Allowance for Expected Credit Loss

Particulars	Financial Year 2025-26	Financial Year 2024-25
Allowance for Expected credit loss and doubtful receivables		
Balance at the beginning of the period	30.94	29.92
Reversal of provision recognised	-	-
Expected Credit loss	3.57	1.02
Amount written off	-	-
Balance at the end of the period	**34.51**	**30.94**

6 Other Financial Assets - Non Current

Particulars	As at 31st March, 2026	As at 31st March, 2025
Security Deposits	281.55	281.55
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments		
Fixed deposits account with original and remaining maturity of more than twelve months	2.00	2.00
Total Security Deposits	**283.55**	**283.55**

7 Other non-current assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
Capital Advances	9.35	9.35
Advances other than capital advances :		
(i)Security Deposits	11.47	11.47
(ii) Advance to Supplier:		
- Considered doubtful - Unsecured	83.02	83.02
- Less: Provision for doubtful advances	(83.02)	(83.02)
Total Other Non-Current Assets	**20.82**	**20.82**

8 Inventories

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw Materials	225.11	435.59
Finished Goods	1,635.86	1,061.65
Stock-in-Trade	-	10.53
Store and Spares	96.90	108.77
Total Inventories	**1,957.87**	**1,616.54**

Notes:
*** Valued at cost or net realisable value, whichever is lower**
(i) Inventory includes ₹ 82.05 Lakhs as at 31st March, 2026 and ₹ 72.14 Lakhs as at 31st March, 2025 valued at net realisable value.
(ii) Cost of inventory recognised as expense during the current period ₹ 15,851.22 Lakhs (Previous Year ₹17,705.93 Lakhs)

9 Trade receivables

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, Considered Good) - Other Trade Receivables	1,977.53	2,322.42
Total Trade Receivables	**1,977.53**	**2,322.42**

Trade Receivables Ageing schedule as on 31 Mar, 2026

Particulars	Outstanding for the following periods from date of transaction*					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	1,925.57	51.96	-	-	-	1,977.53
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
(vii) Undisputed Trade Receivables from Related Parties	-	-	-	-	-	-
Total	1,925.57	51.96	-	-	-	1,977.53

* There are no specific due date of payment specified in respect of trade receivables, as such the trade receivables ageing schedule is prepared on the basis of date of transaction.

Trade Receivables Ageing schedule as on 31 March, 2025

Particulars	Outstanding for the following periods from date of transaction*					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	2,134.89	26.38	-	-	-	2,161.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
(vii) Undisputed Trade Receivables from Related Parties	161.15	-	-	-	-	161.15
Total	2,296.04	26.38	-	-	-	2,322.42

* There are no specific due date of payment specified in respect of trade receivables, as such the trade receivables ageing schedule is prepared on the basis of date of transaction.

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(All amounts in ₹ Lakhs, unless otherwise stated)

10 Cash and Cash equivalents

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with banks		
- In Current Accounts	342.05	105.10
- Balance in deposit accounts (having original maturity of three months or less)	-	870.76
Cash on hand	1.34	1.73
Cheques on hand	6.51	19.87
Total cash and cash equivalents	**349.90**	**997.46**

11 Other Bank Balances

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with banks to the extent held as margin money against borrowings and other commitments*		
Fixed deposits with original maturity of more than three months but less than twelve months	529.53	276.78
Total Other Bank Balances	**529.53**	**276.78**

** There are no earmarked bank balances.*

12 Other financial assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
Interest Receivable	19.68	39.98
Total Other Financial Assets	**19.68**	**39.98**

13 Current tax assets (net)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advance income tax/TDS/TCS	26.27	23.18
Less: Provision for income tax (Refer Note 19)	-	-
Total Current Tax Assets (Net)	**26.27**	**23.18**

14 Other Current assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Considered good - Unsecured)		
Advances Other than Capital Advances		
Advances to suppliers:		
-to related parties	2,561.81	-
-to others	88.42	14.42
Advances to employees	2.07	3.75
Balances with statutory authorities	16.10	15.91
Prepaid expenses	4.58	3.59
Others receivables	77.96	1.16
Amount paid under protest (Refer Note 34)	232.21	232.21
Total Other Current Assets	**2,983.15**	**271.03**

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15 Equity Share Capital

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised capital 1,00,00,000 Equity Shares of ₹ 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued, subscribed and Fully paid up. Equity Shares of ₹ 10/- each (par value)	68,08,700	680.87	50,08,700	500.87
Total	68,08,700	680.87	50,08,700	500.87

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

Particulars	31st March, 2026		31st March, 2025	
	No of shares	Amount in ₹	No of shares	Amount in ₹
Issued, Subscribed and paid-up equity shares				
Equity shares at the beginning of the year	50,08,700	500.87	46,08,700	460.87
Issued during the year	18,00,000	180.00	4,00,000	40.00
Equity shares at the end of the year	68,08,700	680.87	50,08,700	500.87

b) Rights,Preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Rights attached to preference shares

The company has not issued preference shares during the current and previous year

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

Particulars	As at 31st March, 2026		As at 31st March, 2025		% change in shareholding
	No of shares	% holding	No of shares	% holding	
Devinder Garg	8,54,290	12.55%	6,54,290	13.06%	(0.52%)
Securocorp Securities India Private Limited	3,00,000	4.41%	3,00,000	5.99%	(1.58%)
Toshak Garg	6,16,951	9.06%	2,16,950	4.33%	4.73%
Vaneera Garg	17,68,510	25.97%	15,68,510	31.32%	(5.34%)
Daksh Garg	6,10,550	8.97%	2,10,550	4.20%	4.76%

d) There are no shares issued without payment being received in cash during the last five years.

e) There are no buy back of equity shares during the last five years.

f) There are no bonus shares issued during the last five years.

g) There is no holding/ultimate holding company of the company.

h) Shareholding of the Promoter and the Promoter Group

Promoter Name	Shareholding of the Promoter and Promoter Group as on 31st March, 2026			Shareholding of the Promoter and Promoter Group as on 31st March, 2025		
	No of shares	% of total shares	% change during the period	No of shares	% of total shares	% change during the period
Devinder Garg	8,54,290	12.55%	(0.52%)	6,54,290.00	13.06%	(16.32%)
Vaneera Garg	17,68,510	25.97%	(5.34%)	15,68,510.00	31.32%	1.64%
Toshak Garg	6,16,951	9.06%	4.73%	2,16,951.00	4.33%	(0.38%)
Daksh Garg	6,10,550	8.97%	4.76%	2,10,550.00	4.20%	(0.36%)
Devinder Garg & Sons	23,600	0.35%	(0.12%)	23,600.00	0.47%	(0.04%)
Amarpreet Singh Thukral	1,000	0.01%	(0.01%)	1,000.00	0.02%	0.00%
Total Shares held by Promoter and Promoter Group at the end of the period	38,74,901	56.91%		26,74,901.00	53.41%	

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16 Other Equity

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) Reserves and Surplus		
(a) Capital Reserves		
Opening Balance	23.50	23.50
Add : Additions during the year	-	-
Closing Balance	23.50	23.50
(b) Securities Premium Reserve		
Opening Balance	2,415.31	1,675.31
Add : Additions during the year	3,329.98	740.00
Closing Balance	5,745.29	2,415.31
(c) General Reserve		
Opening Balance	1,899.24	1,899.24
Add : Additions during the year	-	-
Transfer from Retained Earning	-	-
Closing Balance	1,899.24	1,899.24
(d) Retained Earnings		
Opening Balance	480.42	(283.17)
Profit for the year	1,029.27	763.59
Closing Balance	1,509.69	480.42
(ii) Other Comprehensive Income		
(a) Remeasurement of defined benefit obligation		
Opening Balance	9.82	5.49
Add: Other Comprehensive income/(expense) (Net of Taxes)	(0.41)	4.33
Closing Balance	9.41	9.82
(b) (Loss)/gain on fair valuation of equity investments through other comprehensive income		
Opening balance	18.19	17.37
Add: Other comprehensive income/(expense) (Net of Taxes)	1.18	0.82
Closing balance	19.37	18.19
(iii) Money received against Share Warrants		
Opening Balance	877.49	1,072.49
Add: Received during the year	2,632.50	-
Less: Converted into equity shares	(3,509.99)	195.00
Closing Balance	-	877.49
Total	9,206.49	5,723.96

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 aspart of dividend.

Other Comprehensive Income
(i) **Remeasurement on defined benefit obligation:** Remeasurement of defined benefit obligation comprises actuarial gains and losses and such gains and losses can never be classified to statement of profit and loss
(ii) **(Loss)/gain on fair valuation of equity investments through other comprehensive income:** The cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of taxes and such gains and losses will never be classified to statement of profit and loss.

Balance in monies received against share warrants

Particulars	As at 31st March, 2026	As at 31st March, 2025
*13,50,000 (Previous Year 1800000) equity warrants, allotted on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of ₹10/ each at a premium of ₹185/- per share for every warrant held, within 18 months from the date of allotment, i.e. from 15th December, 2023 (100% of price fixed has been received from warrant holders from their own bank account)	-	877.49

Monies received against share warrants

Particulars	As at 31st March, 2026	As at 31st March, 2025
*13,50,000 (Previous Year 1800000) equity warrants, allotted on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of ₹10/ each at a premium of ₹185/- per share for every warrant held, within 18 months from the date of allotment, i.e. from 15th December, 2023 (100% of price fixed has been received from warrant holders from their own bank account)	2,632.50	-

During the financial year: 2023-24, the Company has issued 28,00,000 warrants at a price on ₹ 195/- per warrant on preferential basis to persons/ entity belonging to promoter group and non-promoter group of the Company for consideration payable through electronic means/ banking channels with an option to subscribe to an equity share of face value of ₹ 10/- at a price of ₹ 195/- per equity share including premium of ₹ 185/-per share for each warrant with in the period of eighteen months from the date of allotment of warrant i.e. from 15th December, 2023.

*Out of 28,00,000 warrants, the Company has converted balance 18,00,000 warrants (6,00,000 warrants during the previous years) into equity share of face value of ₹10 at a price of ₹ 195/- per equity share including premium of ₹185/- per share for each warrant in the current financial year.

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17 Borrowings- Non Current

Particulars	As at 31st March, 2026	As at 31st March, 2025
Term Loan- Secured		
From Non Banking financial institutions*	1,187.68	69.69
Other Loans- Unsecured		
From others	60.00	60.00
Total Borrowings-Non Current	**1,247.68**	**129.69**

Terms of Repayment	Repayment details of loan outstanding as at 31st March, 2026
Term Loan (Secured) : Vehicle Loan*	
i) Loan from Mercedes Benz financial services India private limited repayable in 8 monthly instalments(EMI) of ₹ 1.53 Lakhs and final instalment of ₹ 62.64 lakhs. The total no of instalments pending are 9 as on 31st March, 2026	69.69
ii) Loan from Mercedes Benz financial services India private limited repayable in monthly instalments(EMI) of ₹ 2.42 Lakhs, Total number of instalments pending are 57 as on 31st March, 2026	115.05
Term Loan (Secured) : Loan Against Property**	
i) Loan from HDB Financial Services Limited repayable in monthly instalments(EMI) of ₹ 23.91 Lakhs, Total number of instalments pending are 69 as on 31st March, 2026	1,267.41
Other loans (unsecured) :	
i) Repayable on demand***	60.00
Total	**1,512.15**

*Vehicle Loans are secured by way of hypothecation of vehicles having carrying value of ₹ 200.77 lakhs

** The loan availed from HDB Financial Services Limited is secured by an equitable mortgage of the immovable property owned by Mr. Devinder Garg, Director of the Company, situated at Plot No. 20, M.C. No. B-XXXV-1521-15, Village Barewal Awana, Abadi Sukhmani Enclave, Ludhiana – 141012. The borrowing is further backed by a corporate guarantee provided by Vaneera Industries Limited *(Formerly known as Vaneera Industries Private Limited)*, the subsidiary of the Company.

***The loan is contractually repayable on demand and has been classified under Long-term Borrowings based on management's assessment and expectation that the lender does not intend to demand repayment in the foreseeable future and the Company expects to continue the existing arrangement as a long-term source of finance. Accordingly, the balance has been presented as a long-term borrowing.

18 Provisions- Non Current

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for Employee Benefits	8.39	17.40
Total Provisions-Non Current	**8.39**	**17.40**

19 Deferred tax liabilities/(assets) (net)

(a) Income Tax Recognised in Statement of Profit and Loss

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current Tax		
In Respect of current period	-	-
Tax adjustments related to earlier years	-	-
Total (A)	-	-
Deferred tax		
In respect of current period	77.64	-
Total (B)	**77.64**	-
Total	**77.64**	-

(b) Income tax recognised in other Comprehensive income

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred tax (assets)/liability		
On remeasurement loss of defined benefit obligation	(0.14)	-
On fair valuation of equity investments through other comprehensive income	0.40	-
Total	0.26	-

(c) Reconciliation of tax expense and profit before tax multiplied by statutory tax rate

Particulars	As at 31st March, 2026	As at 31st March, 2025
Profit before tax (As per statement of Profit & Loss)	**1,106.91**	**763.59**
Income tax expense calculated at 25.1680% (Previous year 25.1680%)	278.59	192.18
Income tax impact of expenses not considered for tax purpose	4.44	18.22
Income tax impact of Income not considered for tax purposes	(0.06)	(1.08)
Income tax impact of expenses availed on payment basis	(0.72)	(1.78)
Income tax impact of allowances of permanent nature	3.37	4.71
Income tax impact of depreciation & amortisation	12.85	12.50
Income tax impact of brought forward losses and unabsorbed depreciation	(298.47)	(224.76)
Tax expense charged to statement of profit and loss	-	-
Effective rate of tax	-	-

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(All amounts in ₹ Lakhs, unless otherwise stated)

(d) Movement in deferred tax balances

Particulars	As at 1st April, 2025	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive	As at 31st March, 2026
Deferred tax liabilities				
(i) Tax on timing difference between book value of depreciable assets as per books of account and written down value as per Income Tax	-	147.51	-	147.51
(ii) Tax on timing difference on account of accounting treatment of Processing Charges in accordance with Ind AS 109	-	1.79	-	1.79
(iii) Tax on fair valuation of equity investments through other comprehensive income			0.40	0.40
Gross deferred tax liabilities (A)	-	**149.30**	**0.40**	**149.70**
Deferred tax assets				
(i) Tax Impact on Delayed Payment to MSMEs pursuant to Section 43b of Income Tax Act, 1961	-	(1.64)		(1.64)
(ii) Tax on unfunded Gratuity Liability recognised pursuant to Section 40A(7) of Income Tax Act, 1961	-	(6.13)		(6.13)
(iii) Tax on Non Payment of Professional Tax pursuant to Section 43b of Income Tax Act, 1961	-	(0.06)		(0.06)
(iv) Tax on Non Payment of Labour Welfare Fund pursuant to Section 43b of Income Tax Act, 1961	-	(0.67)		(0.67)
(v)Tax on fair valuation of equity investments through Statement of Profit and Loss	-	(0.13)		(0.13)
(vi) Tax on Remeasurement gain/(loss) of defined benefit obligation	-		(0.14)	(0.14)
(vii) Brought Forward business losses and unabsorbed depreciation	-	(54.34)	-	(54.34)
(viii) Tax Impact of Expected credit loss pursuant to section 36 of Income Tax Act, 1961	-	(8.69)	-	(8.69)
Gross deferred tax assets (B)	-	(71.66)	(0.14)	(71.80)
Net Deferred tax (Asset)/Liabilities (A-B)	-	**77.64**	**0.26**	**77.90**

20 Borrowings- Current

Particulars	As at 31st March, 2026	As at 31st March, 2025
From Banks FD/OD*	240.00	-
Current maturities of long-term borrowings(Vehicle Loan) (Refer Note-17)	69.69	10.44
Current maturities of long-term borrowings(Vehicle Loan) (Refer Note-17)	20.81	-
Current maturities of long-term borrowings(Loan Against Property) (Refer Note-17)	173.97	-
Total Borrowings- Current	**504.47**	**10.44**

*** The overdraft facility is secured by way of a charge/lien over fixed deposits placed with the lender and created during the current financial year.**

21 Trade payables- Current

Particulars	As at 31st March, 2026	As at 31st March, 2025
Outstanding dues of micro enterprises and small enterprises	28.24	9.84
Outstanding dues of creditors other than micro enterprises and small enterprises	854.95	628.07
Expense payable	78.58	70.64
Total Trade Payables-Current	**961.77**	**708.55**

Trade Payable Ageing Schedule as on 31st March, 2026

Particulars	Outstanding for following periods from due date of transaction*					
	Not Due	Less than 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	27.91	0.33	-	-	**28.24**
(ii) Others	78.58	849.38	4.11	1.46	-	**933.53**
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	-	-	-
Total	**78.58**	**877.30**	**4.44**	**1.46**	-	**961.77**

*** There are no specific due date of payment specified in respect of trade payable, as such trade payable ageing schedule is prepared on the basis of date of transaction.**

Trade Payable Ageing Schedule as on 31st March, 2025

Particulars	Outstanding for following periods from due date of transaction*					
	Not Due	Less than 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	9.84	-	-	-	**9.84**
(ii) Others	70.64	626.61	1.46	-	-	**698.71**
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	-	-	-
Total	**70.64**	**636.45**	**1.46**	-	-	**708.55**

*** There are no specific due date of payment specified in respect of trade payable, as such trade payable ageing schedule is prepared on the basis of date of transaction.**

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amounts in ₹ Lakhs, unless otherwise stated)

22 **Other financial liabilities**

Particulars	As at 31st March, 2026	As at 31st March, 2025
Interest accrued but not due on Borrowings	0.62	0.49
Cheque issued but not presented	189.76	13.91
Other Payables	-	0.02
Total Other financial liabilities	**190.38**	**14.42**

23 **Other current liabilities**

Particulars	As at 31st March, 2026	As at 31st March, 2025
Statutory dues payables	157.43	76.11
Advance from customers:		
-from related parties	259.69	-
-from others	0.63	0.01
Other Payable	14.58	603.47
Total Other Current Liabilities	**432.33**	**679.59**

24 **Provisions**

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for Employee Benefits	21.25	6.76
Total Short term provisions	**21.25**	**6.76**

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25 Revenue from operations

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Sale of products *(Net of GST)*	21,236.12	21,834.61
Sale of Stock in Trade	7,693.85	4,326.88
Total Revenue from Operations	**28,929.97**	**26,161.49**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the year ended 31st March, 2026 and 31st March, 2025 respectively. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Details of products sold		
Non Alloy Steel Round	15,828.10	14,297.34
Scrap/End Cutting	76.93	62.73
Wire rod	7,473.37	5,231.09
Billets	3,960.03	5,231.37
Alloy Steel round	1,258.48	323.02
M.S. Scrap	93.99	231.25
Others	239.07	784.69
Total Revenue from Sale of Products	**28,929.97**	**26,161.49**

26 Other Income

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Interest income	47.50	70.76
Other Non-Operating Income:		
Rental Income	1.80	1.80
Commission & Brokerage	-	93.17
Profit on Sale of Fixed Assets	-	4.28
Provision for Expenses Written Back	0.23	-
Miscellaneous Income	0.51	0.01
Total Other Incomes	**50.04**	**170.02**

27 Cost of materials consumed

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Opening stock	435.59	365.25
Add : Purchases (Net)	15,640.74	17,776.27
Less: Closing Stock	225.11	435.59
Total Cost of material Consumed	**15,851.22**	**17,705.93**
Details of Material Consumed		
M.S. Scrap	15,360.93	17,301.13
Others	490.29	404.80
	15,851.22	**17,705.93**

28 Change in inventories of finished goods, stock in trade and work -in-progress

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Opening stock		
Finished Goods / Stock in Trade	1,072.18	272.76
Less: Closing Stock		
Finished Goods / Stock in Trade	1,635.86	1,072.18
	(563.68)	**(799.42)**

29 Employee benefit expense

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Salary, Wages and other Allowances*	222.20	208.34
Contribution to Provident and other funds	7.23	8.21
Total Employee Benefit Expenses	**229.43**	**216.55**

(* includes director's remuneration amounting to ₹ 60.00 Lakhs in current Year (Previous Year ₹ 40.35 Lakhs)

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30 Finance cost

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Amortisation of Transaction Cost	1.98	-
Interest Expense on term Loans	43.16	11.10
Other Borrowings Cost	0.05	-
Total Finance Costs	**45.19**	**11.10**

31 Depreciation and amortisation expense

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Depreciation of property, plant and equipment (refer note 3)	177.68	164.36
Total Depreciation and Amortisation expenses	**177.68**	**164.36**

32 Other expenses

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	441.74	404.60
Machinery Repairs and Maintenance	20.39	15.36
Power and Fuel	2,136.77	2,335.57
Testing Charges	0.03	0.25
	2,598.93	2,755.78
Repair and Maintenance:		
- Vehicle	13.57	17.94
- Building	0.65	2.61
- Others	0.72	1.28
	14.94	**21.83**
Administrative & Other Expenses		
Auditor's Remuneration (Refer Note No.44)	4.25	4.50
Corporate Social Responsibility Expenses (Refer Note No.45)	10.55	14.47
Foreign Exchange Fluctuation	0.13	-
Insurance	6.63	6.25
Listing Fee	3.25	3.25
Legal & Professional Expenses	9.12	9.15
Miscellaneous Expenses	21.27	28.69
Penalty	2.81	-
Provision for Expected Credit Loss	3.57	10.42
Rates & Taxes	5.95	6.77
Security Charges	1.28	5.31
Travelling & Conveyance	3.90	6.25
Unrealized Gain/loss on Investment	0.51	-
	73.22	**95.06**
Selling Expenses		
Advertisement	1.91	1.12
Freight & Cartage	3.25	0.27
Rebate and Discount	1.66	2.71
	6.82	**4.10**
Total Other Expenses	2,693.90	2,876.77

33 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 per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Particulars		For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Earning per share has been computed as under:			
Profit after tax attributable to equity shareholders(In Lakhs)	A	1,029.27	763.59
Weighted average number of equity shares (number)	B	62,90,892	48,08,152
Weighted average number of equity shares in computing diluted earning per share (number)	C	62,90,892	53,92,698
Basic earnings per share (Rs.)	A/B	16.36	15.88
Diluted earnings per share (Rs.)	A/C	16.36	14.16
Face value per equity share (Rs.)		10.00	10.00

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34 Contingent Liabilities and Commitments (*To the extent not provided for*)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) Claims against the Company not acknowledged as debt*	259.78	259.78
(b) Bank Guarantees in favour of suppliers and others.	22.39	22.39
(c) Dispute with GST Authorities under CGST Act, 2017**	5.04	-
Total	**287.21**	**282.17**

*The company has received the demand notice from Punjab State Power Corporation Limited charging the interest to the tune of ₹ 259.78 Lakhs out of which ₹ 232.21 Lakhs has been paid under protest during the previous year as per court order, the said interest is levied on surcharge of ₹ 723.06 Lakhs which was fixed and paid in pursuance of the judgement passed by the Hon'ble Supreme Court. The company has filed Civil Writ Petition in the High Court of Punjab and Haryana, Chandigarh against such demand and has received stay order from the court. Company based on the data available and internal assessment, believes that the demand will be quashed and hence, disclosed the demand as contingent liability.

** During the year, the Company received an Order-in-Original from the GST authorities under Section 74 of the Central Goods and Services Tax Act, 2017, confirming a demand of Input Tax Credit amounting to ₹5.04 lakhs, together with applicable interest and penalty. The demand relates to Input Tax Credit availed during FY 2019-20 from certain suppliers who were subsequently alleged by the tax authorities to have issued invoices without actual supply of goods.

35 Employee benefits

A. Defined benefit plan: Gratuity (unfunded)

The following table set out the funded status of the gratuity plan and the amount recognised in the company's financial statement as at 31st March,2026 and 31st March,2025.

(i) Changes in the present value of the obligation

Particulars	As at 31st March, 2026	As at 31st March, 2025
Present value of obligation as at the beginning of the year	21.45	20.47
Interest cost	1.39	1.46
Current service cost	4.36	4.60
Benefits paid	(2.84)	(0.75)
Remeasurement - actuarial (gain) / loss	0.55	(4.33)
Present value of obligation as at the end of the year	**24.91**	**21.45**

(ii) Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2026	As at 31st March, 2025
Present value of the defined benefit obligation as at the end of the year	24.91	21.45
Fair value of plan assets as at the end of the year	-	-
Net asset/(liability) recognised in the Balance Sheet	**(24.91)**	**(21.45)**

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

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current service cost	4.36	4.60
Net Interest cost	1.39	1.46
Interest income on plan assets	-	-
(Income)/Expense recognised in the statement of profit and loss	**5.75**	**6.06**

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

Particulars	As at 31st March, 2026	As at 31st March, 2025
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	0.55	(4.33)
Actuarial (gain)/loss for the year on plan assets	-	-
Total Actuarial (gain)/loss at the end of the year	**0.55**	**(4.33)**

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

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current liability (amount due within one year)	16.52	4.05
Non current Liability (amount due over one year)	8.39	17.40
Total PBO at the end of the year	**24.91**	**21.45**

(vi) Bifurcation of actuarial (gain) / loss

Particulars	As at 31st March, 2026	As at 31st March, 2025
Actuarial (Gain) / loss on arising from change in demographic assumption	-	-
Actuarial (Gain) / loss on arising from change in financial assumption	(0.39)	0.19
Actuarial (Gain) / loss on arising from change in experience assumption	0.94	(4.51)
Net Actuarial Loss/(Gain)	**0.55**	**(4.33)**

(vii) Principal actuarial assumptions at the Balance Sheet date

Particulars	As at 31st March, 2026	As at 31st March, 2025
Mortality Table	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate
Attrition rate	20.00%	20.00%
Inputted Rate of return/ Discount rate (per annum)	7.85%	6.92%
Rate of increase in compensation levels (per annum)	8.00%	8.00%
Average remaining working lives of employees (years)	20.49	18.11
Method used	Projected unit credit	Projected unit credit

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience. The assumptions and methodology used in actuarial valuation are consistent with the requirements of Ind AS 19.

(viii) Actuarial risks exposures and Sensitivity cum Scenario Testing

Actuarial Valuations are based on assumptions which are dynamic in nature and vary over time. As such entity is exposed to various risks as follows:

a) Salary increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

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

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

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

SENSITIVITY CUM SCENARIO TESTING TABLE (GRATUITY)

The table reflects change in liabilities that will result from change in assumption in respect of salary rise, imputed rate of return and attrition rates. Deviation in expected mortality is of less significance and thus not included in analysis

SENSITIVITY CUM SCENARIO TESTING (GRATUITY)

SR	IROI	AR	AVGL (In Rs.)	Difference over base
(1.00)	(1.00)	(1.00)	25,12,806.00	22,504.00
(1.00)	0.00	(1.00)	24,71,211.00	(19,091.00)
(1.00)	1.00	(1.00)	24,32,696.00	(57,606.00)
(1.00)	(1.00)	0.00	24,90,356.00	54.00
(1.00)	0.00	0.00	24,51,065.00	(39,237.00)
(1.00)	1.00	0.00	24,14,605.00	(75,697.00)
(1.00)	(1.00)	1.00	24,68,647.00	(21,655.00)
(1.00)	0.00	1.00	24,31,457.00	(58,845.00)
(1.00)	1.00	1.00	23,96,887.00	(93,415.00)
0.00	(1.00)	(1.00)	25,57,337.00	67,035.00
0.00	0.00	(1.00)	25,12,746.00	22,444.00
0.00	1.00	(1.00)	24,71,531.00	(18,771.00)
0.00	(1.00)	0.00	25,32,319.00	42,017.00
0.00	0.00	0.00	24,90,302.00	0.00
0.00	1.00	0.00	24,51,364.00	(38,938.00)
0.00	(1.00)	1.00	25,08,284.00	17,982.00
0.00	0.00	1.00	24,68,592.00	(21,710.00)
0.00	1.00	1.00	24,31,741.00	(58,561.00)
1.00	(1.00)	(1.00)	26,04,699.00	1,14,397.00
1.00	0.00	(1.00)	25,56,849.00	66,547.00
1.00	1.00	(1.00)	25,12,689.00	22,387.00
1.00	(1.00)	0.00	25,76,847.00	86,545.00
1.00	0.00	0.00	25,31,861.00	41,559.00
1.00	1.00	0.00	24,90,246.00	(56.00)
1.00	(1.00)	1.00	25,50,244.00	59,942.00
1.00	0.00	1.00	25,07,847.00	17,545.00
1.00	1.00	1.00	24,68,540.00	(21,762.00)

B. Contribution to Provident Fund
The company has recognized an expense of ₹ 0.73 Lakhs (Previous year ₹ 1.00 Lakhs) in respect of employer's contribution to Provident Fund.

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C. Impact of New Labour Codes

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Codes have been made effective from November 21, 2025. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations.

The incremental impact of these changes, assessed by the Company, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, is not material and has been recognised in the financial results of the Company for the year ended 31st March 2026. Once Central/ State Rules are notified by the Government on all aspects of the Codes, the Company will evaluate impact, if any, on the measurement of employee benefits and would provide appropriate accounting treatment.

36 Segment Reporting

The Company is engaged in the business of manufacturing of Iron and Steel Products such as M.S. Round, Ingot, Billet, Wire Rod etc. Accordingly, the Company has only one identiable segment reportable under Ind AS 108 "Operating Segment". The chief operational decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

Revenue for the Current and Previous Year from Domestic & Export Sale is as below :

Particulars	As at 31st March, 2026	As at 31st March, 2025
Revenue from Domestic Sales	28,929.97	26,161.49
Total Revenue	**28,929.97**	**26,161.49**

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

Particulars	As at 31st March, 2026	As at 31st March, 2025
Revenue from Top 1 Customer (Amount)	4,467.39	3,054.73
Revenue from Top 1 Customer (Percentage)	15.44%	11.67%
Revenue from Other Customers (Amount)	24462.58	23,106.76
Revenue from Other Customers (Percentage)	84.56%	88.33%
Total Revenue	**28,929.97**	**26,161.49**

37 Dues to Micro, Small and Medium Enterprises (MSME)

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	28.24	9.84
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period*	-	-
(iii) The amount of interest paid by the buyer in terms of Section 16 of the MSME Act, along with the amount of payment made to the suppliers beyond the appointed day during each accounting year	-	-
(iv) The amount of interest paid along with the amount of payment made to the suppliers beyond the appointed day	-	-
(v) The amount of interest due and payable for a period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSME act.	-	-
(vi) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vii) The amount of further interest due and payable even in succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of dis-allowance as a deductible expenditure under Section 23	-	-

* The Company has evaluated the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") relating to interest payable on delayed payments to Micro and Small Enterprises. Based on the management's assessment, the amount of interest, if any, payable under Section 16 of the MSMED Act on outstanding dues to Micro and Small Enterprises is not material to the financial statements.

38 Disclosure pursuant to Ind AS-116 Leases

Company as a Lessor

The rental income on assets given on operating lease to M/S Vaneera Industries Limited(*Formerly known as Vaneera Industries Private Limited*) was ₹ 1.80 Lakhs for the year ended as on 31st March, 2026

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39 Related party disclosure as per Ind AS 24

In accordance with the requirements of IND AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

a) Related party and their relationship:-

Nature of relationship	Name of related party/ KMP
(i) Subsidiary	Vaneera Industries Limited(formerly known as Vaneera Industries Private Limited)
(ii) Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control	Avtar Exports Private Limited
(iii) Key management personnel (KMP)	Devinder Garg (Managing Director) Toshak Garg (Managing Director)(w.e.f. 14.08.2024) Vaneera Garg (Whole-time Director) Amandeep Kaur (Independent Director) (w.e.f. 01.04.2024) Mehak Jain (Independent Director) (w.e.f. 14.08.2025) Shruti Gupta (Independent Director)(w.e.f. 23.07.2024) Gurmeet Singh Battu (Chief Financial Officer) Supreena Tagra (Company Secretary)
(iv) Relatives of Key Management Personnel	Daksh Garg Nivedita Garg Ridhima Garg

(b) Details of transactions entered into with related parties during the year as required by Ind AS 24 on "Related Party Disclosures" of Companies (Indian Accounting Standards) Rules 2015.

(i)Subsidiaries,Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control		
Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Purchase of goods -From Vaneera Industries Limited *(formerly known as Vaneera Industries Private Limited)*	16.36	70.01
Acquisition of Equity Shares -From Vaneera Industries Limited *(formerly known as Vaneera Industries Private Limited)*	3,264.30	362.70
Commission Paid -To Avtar Exports Private Limited	-	0.75
Sales of Goods -To Vaneera Industries Limited *(formerly known as Vaneera Industries Private Limited)*	2,344.77	3,054.73
Corporate Gaurantee received -From Vaneera Industries Limited (formerly known as Vaneera Industries Private Limited)	1,500.00	-
Payment of Corporate Guarantee Fee -To Vaneera Industries Limited *(formerly known as Vaneera Industries Private Limited)*	0.50	-
Rent received -From Vaneera Industries Limited *(formerly known as Vaneera Industries Private Limited)*	1.80	1.80
(ii) Key management personnel (KMP) and Relatives of KMP		
Managerial Remuneration	60.00	40.35
Opening Balance of Unsecured loan	-	1.58
Unsecured Loan received	-	-
Unsecured Loan Repaid	-	1.58
Closing Balance of Unsecured loan	-	-

*The Board of Directors of the Company, in its meeting held on 7th September 2024, and the shareholders at the Annual General Meeting held on 30th September 2024, approved the acquisition of a 51.22% equity stake in Vaneera Industries Limited *(formerly known as Vaneera Industries Private Limited)* (investee company). The acquisition involves the purchase of 58,50,000 equity shares at ₹62 per share, comprising a face value of ₹10 and a premium of ₹52 per share. The valuation of the investment was carried out by a registered valuer based on the unaudited financial statements of investee company as at 31st October 2024.

The total consideration for the acquisition is ₹3,627.00 lakhs. An amount of ₹362.70 lakhs, representing 10% of the total consideration, was paid as application money in February 2025. The balance amount of ₹ 3,264.30 Lakhs have been paid up to 21st August 2025 and Vaneera Industries Limited became the subsidiary of the company w.e.f 21.08.2025.

Considering the business model with which the company is holding the investment and the contractual cash flow characteristics of the investment in subsidiary company, the investment is measured at amortised cost in accordance with Ind AS 109 – Financial Instruments.

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(c) **Details of balances outstanding as at year end**

Particulars	As at 31st March, 2026	As at 31st March, 2025
Amount Receivable on the last day of the year		
Advance to Vendor against purchase of goods: -To Vaneera Industries Limited*(formerly known as Vaneera Industries Private Limited)*	2,561.81	-
Advance from customer against sale of goods: -To Vaneera Industries Limited*(formerly known as Vaneera Industries Private Limited)*	259.69	-
Trade Receivable against sale of goods: -To Vaneera Industries Limited*(formerly known as Vaneera Industries Private Limited)*	-	161.15
Amount Payable on the last day of the year		
Other Payables*	-	585.00
Managerial Remuneration (Payable)**	2.78	0.45

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

*(ii) In the Board Meeting of the Company held on October 01,2024 a total number of 400000 warrants were to be converted to Equity shares in the previous year, due to an error additional 400000 shares were mistakenly allotted to each allotee i.e., the directors of the company-Devinder Garg and Vaneera Garg. This error was subsequently rectified and accordingly the excess amount received from directors was shown as other payables by the company in the previous year.

**(iii) Long-term employee benefits for Key Managerial Personnel:
The managerial personnel are covered by Company's gratuity policy and are eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

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ounts in ₹ in Lakhs , unless otherwise stated)

40 Disclosures of Financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:

As at 31st March, 2026

Particulars	Amortized cost (a)	At fair value through profit or loss		At fair value through OCI		Total carrying value (a+b+c+d+e)	Total Fair value
		Designated upon initial recognition (b)	Mandatory (c)	Equity instruments designated upon initial recognition (d)	Mandatory (e)		
Financial Assets:							
Non-Current Investments	3,627.00	0.21	-	40.96	-	3,668.17	3,668.17
Other Financial Non-Current Assets	283.55	-	-	-	-	283.55	283.55
Trade Receivables	2,064.12	-	-	-	-	2,064.12	2,064.12
Cash and Cash Equivalents	349.90	-	-	-	-	349.90	349.90
Other Bank Balances	529.53	-	-	-	-	529.53	529.53
Other Financial Current Assets	19.68	-	-	-	-	19.68	19.68
Total	**6,873.78**	**0.21**	-	**40.96**	-	**6,914.95**	**6,914.95**
Financial Liabilities:							
Long Term Borrowings	1,247.68	-	-	-	-	1,247.68	1,247.68
Short Term Borrowings	504.47	-	-	-	-	504.47	504.47
Trade Payables	961.77	-	-	-	-	961.77	961.77
Other Financial Current Liabilities	190.38	-	-	-	-	190.38	190.38
Total	**2,904.30**	-	-	-	-	**2,904.30**	**2,904.30**

As at 31st March, 2025

Particulars	Amortized cost (a)	At fair value through		At fair value through OCI		Total carrying value (a+b+c+d+e)	Total Fair value
		Designated upon initial recognition (b)	Mandatory (c)	Equity instruments designated upon initial recognition (d)	Mandatory (e)		
Financial Assets:							
Non-Current Investments	362.70	0.72	-	39.38	-	402.80	402.80
Other Financial Non-Current Assets	283.55	-	-	-	-	283.55	283.55
Trade Receivables	2,402.66	-	-	-	-	2,402.66	2,402.66
Cash and Cash Equivalents	997.46	-	-	-	-	997.46	997.46
Other Bank Balances	276.78	-	-	-	-	276.78	276.78
Other Financial Current Assets	271.03	-	-	-	-	271.03	271.03
Total	**4,594.18**	**0.72**	-	**39.38**	-	**4,634.28**	**4,634.28**
Financial Liabilities:							
Long Term Borrowings	129.69	-	-	-	-	129.69	129.69
Short Term Borrowings	10.44	-	-	-	-	10.44	10.44
Trade Payables	708.55	-	-	-	-	708.55	708.55
Other Financial Current Liabilities	14.42	-	-	-	-	14.42	14.42
Total	**863.10**	-	-	-	-	**863.10**	**863.10**

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mounts in ₹ in Lakhs , unless otherwise stated)

(b) Basis of Fair value of Financial assets and liabilities

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31st March, 2026

Particulars	Fair Value	Fair Value measurement using			Valuation technique(s) and key input(s)
		Level 1	Level 2	Level 3	
Financial assets					
Non- current investments at fair value through OCI	40.96	-	40.96	-	Book value as per the previously audited financial statements
Non- current investments at fair value through Profit and Loss	0.72	0.72	-	-	Quoted price as per the market as on 31st March 2026
Total	**41.68**	**0.72**	**40.96**	-	

As at 31st March, 2025

Particulars	Fair Value	Fair Value measurement using			Valuation technique(s) and key input(s)
		Level 1	Level 2	Level 3	
Financial assets					
Non- current investments at fair value through OCI	39.38	-	39.38	-	Book value as per the previously audited financial statements
Non- current investments at fair value through Profit and Loss	0.72	0.72	-	-	Quoted price as per the market as on 31st March 2025
Total	**40.10**	**0.72**	**39.38**	-	

41 Financial Risk Management

The financial assets of the company include investments, trade and other receivables and cash and bank balances that derive directly from its operations. The financial liabilities of the company include loans and borrowings, trade payables, and other payables, and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The company is mainly exposed to the following risks that arise from financial instruments:

(i) Market risk
(ii) Liquidity risk
(iii) Credit risk

The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk.

(a) Foreign currency risk

The company during the year is not exposed to any foreign currency risk as there are no dealings in foreign exchange

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

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42 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

Particulars	Financial Year 2025-26	Financial Year 2024-25
Borrowings including current maturities and interest accrued but not due	1,752.15	140.13
Less: Cash & cash equivalent and other bank balances	879.43	997.46
Net debt (A)	872.72	(857.33)
Total equity (B)	9,887.36	6,224.83
Gearing ratio (A/B)	**0.09**	**N.A.**

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.
There were no changes in the objectives, policies or processes for managing capital during the year ended 31st March, 2026 and 31st March, 2025.

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Interest Rate Risk Exposure:

Particulars	As at 31-March-2026		As at 31-March-2025	
	(Rs. In Lakhs)	% of Total	(Rs. In Lakhs)	% of Total
Fixed Rate Borrowings	243.97	14.42%	-	0.00%
Variable Rate Borrowings	1,448.18	85.58%	80.14	100.00%
Total Borrowings	**1,692.15**	**100.00%**	**80.14**	**100%**

*** The company has borrowings amounting to ₹60 Lakhs (Previous Year ₹ 60 Lakhs) which is interest free and is repayable on demand.**

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	Carrying amount	
	Financial Year 2025-26	Financial Year 2024-25
Long term borrowings	1,247.68	69.69
Short term borrowings (Current maturities of long term debt)	504.47	10.44

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Variable rate instruments	Financial Year 2025-26	Financial Year 2024-25
Increase/ (decrease) in 100 basis point	17.52	0.80

(ii) Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	Financial Year 2025-26	Financial Year 2024-25
Borrowings including current maturities	**1,752.15**	**140.13**
Less than 1 year	504.47	10.44
1-2 year	213.73	69.69
2-5 year	827.03	60.00
5-10 year	206.92	-
Later	-	-
Short term borrowings	**504.47**	-
Less than 1 year	504.47	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	**961.77**	**708.55**
Less than 1 year	961.77	708.55
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	**190.38**	**14.42**
Less than 1 year	190.38	14.42
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-

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43 Reconciliation of Cash flow from Financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17th March, 2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 " Statement of Cash Flows" for the period beginning on 1st April, 2017

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 1st April, 2025 coming under the financing activities of Cash Flow Statement	-	**140.13**
a) Changes from financing cash flow	240.00	1,372.02
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	
d) Changes in fair value	-	
Closing balance of Financial liabilities as on 31st March, 2026 coming under the financing activities of Cash Flow Statement	**240.00**	**1,512.15**

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 1st April, 2024 coming under the financing activities of Cash Flow Statement	-	**149.54**
a) Changes from financing cash flow	-	(9.41)
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
Closing balance of Financial liabilities as on 31st March, 2025 coming under the financing activities of Cash Flow Statement	-	**140.13**

44 In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of

45 Auditor's Remunerations

Particulars	As at 31st March, 2026	As at 31st March, 2025
Statutory Audit Fee	4.00	4.00
Tax audit fee	0.25	0.50
	4.25	**4.50**

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46 Expenditure on Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "CSR Rules"), a company, meeting the applicability criteria requires to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities as provided in Schedule VII of the Companies Act, 2013. The CSR activities are monitored by the CSR Committee formed by the Board of Directors in accordance with the provisions of the Section 135 of the Companies Act 2013 read with CSR Rules.

Particulars	For the year ended	
	31st March, 2026	31st March, 2025
Amount required to be spent on CSR by the Company during the year	12.83	11.88
Set-Off excess amount spent during previous year	2.59	-
Amount of expenditure incurred	10.55	14.47
Excess amount spent during the year	0.31	2.59
Shortfall if any, at the end of the year	-	-
Total of previous years shortfall	-	-
Nature of CSR activities	Promoting education, healthcare, eradication of hunger and malnutrition, environment sustainability, disaster relief and rural development projects.	
Detail of related party transaction in relations to CSR expenditure as per Indian Accounting Standard-24	-	-

47 Additional Regulatory Information

Sr. No	Additional Regulatory Information	Remarks
1	Title deeds of Immovable Property not held in the name of the Company	The company has no such immovable properties whose title deeds are not held in the name of the company and no such immovable property is jointly held with others.
2	Fair valuation of investment property	Not Applicable
3	Revaluation of Property, Plant and Equipment and Right-of-Use Assets	The Company has not revalued its Property, Plant & Equipment during the year. The Company does not have any Right-of-use-assets during the year.
4	Revaluation of Intangible assets	The Company has not revalued its Intangible Assets during the year.
5	Loans or advances to specified persons	There are no loans and advances granted to promoters, directors and KMP's during the year.
6	Intangible assets under development	Not Applicable
7	Details of Benami Property held	There is no Benami Property held by the company.
8	Borrowings secured against current assets	The Company has obtained an overdraft facility from Kotak Mahindra Bank, secured by way of a lien over fixed deposits placed with the bank.
9	Wilful Defaulter	The Company is not declared as wilful defaulter by any bank or financial Institution or other lender during the year.
10	Relationship with Struck off Companies	There is no relationship of the company with struck off companies
11	Registration of charges or satisfaction with Registrar of Companies (ROC)	There are no charges or satisfaction of charges yet to be registered with ROC beyond the statutory time period.
12	Compliance with number of layers of companies	The Company has one subsidiary, namely Vaneera Industries Limited (Formerly known as Vaneera Industries Private Limited). The Company has complied with all applicable statutory and regulatory provisions relating to its subsidiary.
13	Compliance with approved Scheme(s) of Arrangements	Not Applicable
14	Utilisation of Borrowed funds and share premium	The working capital borrowing has been utilised by the company in its own business, the company has not loaned or advanced or invested funds to any other person(s) or entity(ies), including foreign entities with any understanding and the vehicle loan has been utilised by the company for purchase of vehicle.
15	Undisclosed Income	There is no undisclosed income during the year.
16	Crypto currency or virtual currency	The company has not traded or invested in crypto currency or virtual currency during the year.

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48 Analytical Ratios

S.No	Particulars	Numerator	Denominator	2025-26	2024-25	Variance (in %age)	Reasons
1	Current Ratio	Current Assets	Current Liabilities	3.72	3.91	(4.87%)	Not Applicable
2	Debt-Equity Ratio	Total debt	Total Equity	0.18	0.02	687.20%	Due to Increase in Borrowings during the year as compared to previous year
3	Debt Services coverage Ratio	Earnings available for debt service	Gross Interest +Repayment of loan, unsecured loan	632.47%	8528.97%	(92.58%)	Due to Increase in the amount of borrowings and their repayments during the year
4	Return on equity ratio (ROE)	Net profit after Tax	Average Shareholders Equity	12.78%	13.76%	(7.17%)	Not Applicable
5	Inventory Turnover Ratio (in days)	Revenue from Operations	Average Inventory	16.19	21.99	(26.39%)	Due to Increase in Inventory during the year as compared to previous year
6	Trade receivable turnover ratio (in days)	Credit Sales	Average Trade Receivables	12.95	11.02	17.60%	Not Applicable
7	Trade payable turnover ratio (in days)	Credit Purchases	Average Trade Payables	37.71	44.94	(16.09%)	Not Applicable
8	Net capital turnover ratio	Turnover	Working capital	5.05	6.34	(20.39%)	Not Applicable
9	Net profit ratio	Net profit after Tax	Turnover	3.56%	2.92%	21.89%	Not Applicable
10	Return on capital employed (ROCE)	EBIT	Tangible Net Worth Total debt+Deferred Tax Liabilities	9.83%	12.17%	(19.21%)	Not Applicable
11	Return on Investment	Return on investments	Investments	-	-	-	There are no return on investments during the year 2026 and 2025

49 Figures in bracket indicate deductions.

50 Previous year figures have been regrouped/recasted/rearranged wherever necessary to conform to its classification of the current year.

As per our report of even date attached
For Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI & ASSOCIATES
FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

Arvind Jain
Partner
M. No. 097549

Place : Ludhiana
Date : 30.05.2026

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Toshak Garg
Managing Director
DIN: 03503511

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

ashwani & associates
chartered accountants

226-a, tagore nagar, ludhiana, punjab - 141001
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GARG FURNACE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Garg Furnace Limited** ("the Company"), and its subsidiary Vaneera Industries Limited *(Formerly known as Vaneera Industries Private Limited)* (the Company and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026 and their consolidated profit , their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act . Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated 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.

S.no.	Key Audit Matter	Auditors' Response
1.	**Valuation of Inventories :** Refer note 2 and note 8 of the consolidated Financial Statements.	**Principal Audit Procedures:** We obtained assurance over the appropriateness of the management's assumptions applied in calculating the

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	As at March 31, 2026, the group held inventories amounting to ₹1988.30 lakhs, comprising stores and spares, raw materials, work-in-progress and finished goods. Inventories are measured at the lower of cost and net realizable value in accordance with Ind AS 2, "Inventories". The assessment of net realizable value and determination of provisions for slow-moving, obsolete or non-moving inventories involve significant management judgment and estimation. Management considers factors such as inventory ageing, historical consumption patterns, current market conditions, expected future demand and planned utilization or sale of inventory while assessing the adequacy of inventory provisions. Considering the materiality of the inventory balance and the significant judgments involved in determining the recoverability and valuation of inventories, we identified this matter as a Key Audit Matter.	value of the inventories and related provisions by: • Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk. • Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. • Reviewing the document and other record related to physical verification of inventories done by the management during the year. • Verifying for a sample of individual products that costs have been correctly recorded. • Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. • Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. Also Reviewing the estimate and basis of provision made on specific inventories. • Recomputing provisions recorded to verify that they are in line with the group's policy. **Our Conclusion:** Based on the audit procedures performed, we did not identify any material exceptions in the Inventory valuation

Information Other than Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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.

ASHWANI & ASSOCIATES
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LUDHIANA
CHARTERED ACCOUNTANTS

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the respective entities 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 group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of our 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 Consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the

ASHWANI & ASSOCIATES
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CHARTERED ACCOUNTANTS

date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial statements, including the disclosures, and whether the Consolidated Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the company and the subsidiary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any 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 safeguard.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors of the company and its subsidiary incorporated in India are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

ASHWANI & ASSOCIATES
FRN: 000497N
LUDHIANA
CHARTERED ACCOUNTANTS

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" which is based on the auditor's reports of the Parent company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

For the subsidiary company, reporting under the said clause is not applicable. Accordingly, our report on the internal financial controls over financial reporting covers only our opinion in respect of the Parent Company.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated financial position – Refer Note 34

ii. The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the company and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the company and it's subsidiary which are incorporated in India has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and it's subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the company and its subsidiary which are incorporated in India have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company and its subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the company and its subsidiary which are companies incorporated in India, nothing has come to our notice that has caused us to believe that the

ASHWANI & ASSOCIATES FRN: 000497N LUDHIANA CHARTERED ACCOUNTANTS representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The group has not declared, paid or propose to pay any dividend during the year.

vi. Based on our examination which included test checks, performed by us on the Company and its subsidiary have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with and the audit trial has been preserved by the group as per the statutory requirements for the record retention.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the Consolidated Financial Statements of the group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI & ASSOCIATES
FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

Arvind Jain
Partner
Membership No.:097549
UDIN: 26097549PGHUEZ7454

Place: Ludhiana
Dated: 30th May, 2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Garg Furnace Limited of even date)

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

We have audited the internal financial controls with reference to Consolidated Financial Statements of **Garg Furnace Limited** ("the Company"), as of March 31, 2026 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (the "ICAI"). 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 the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Consolidated Financial Statements of the Holding Company.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable

ASHWANI & ASSOCIATES FRN 000497N LUDHIANA CHARTERED ACCOUNTANTS assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI & ASSOCIATES
FRN:000497N
LUDHIANA
CHARTERED ACCOUNTANTS

Arvind Jain
Partner
Membership No.:097549
UDIN: 26097549PGHUEZ7454

Place: Ludhiana
Dated: 30th May, 2026

GARG FURNACE LIMITED

Consolidated Balance Sheet as at 31st March 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2026
ASSETS		
Non-current assets		
a) Property, Plant and Equipment	3.1	3,000.64
b) Capital work-in-progress	3.2	3,782.57
c) Goodwill	3.3	299.47
d) Financial Assets		
i) Investments	4	41.17
ii) Trade Receivables	5	101.21
iii) Other financial assets	6	283.55
e) Other non-current assets	7	633.78
		8,142.39
Current assets		
a) Inventories	8	1,988.30
b) Financial assets		
i) Trade Receivables	9	2,353.00
ii) Cash and Cash equivalents	10	388.52
iii) Bank balances other than (ii) above	11	530.63
iv) Other financial asset	12	61.23
c) Current Tax Assets (Net)	13	15.89
d) Other current assets	14	2,990.34
		8,327.91
Total Assets		16,470.30
EQUITY AND LIABILITIES		
EQUITY		
a) Equity Share capital	15	680.87
b) Other Equity	16	9,221.73
c) Non-Controlling Interest		3,206.92
		13,109.52
LIABILITIES		
Non-current liabilities		
a) Financial Liabilities		
i) Borrowings	17	1,256.46
b) Provisions	18	8.39
c) Deferred Tax Liability	33	55.99
		1,320.84
Current liabilities		
a) Financial Liabilities		
i) Borrowings	19	504.47
ii) Trade payables :-	20	1,122.82
iii) Other financial liabilities	21	192.68
b) Other current liabilities	22	198.72
c) Provisions	23	21.25
		2,039.94
Total Equity and Liabilities		16,470.30

Corporate information	1	
Material accounting policies	2	

See accompanying notes forming part of financial statements

As per our report of even date attached
For Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI & ASSOCIATES FRN:000497N LUDHIANA CHARTERED ACCOUNTANTS

Arvind Jain
Partner
M. No. 097549

Place : Ludhiana
Date : 30.05.2026

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Toshak Garg
Managing Director
DIN: 07503581

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

GARG FURNACE LIMITED
Consolidated Balance Sheet as at 31st March 2026
(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended on 31st March, 2026
I	**INCOME**		
	Revenue From Operations	24	29,460.97
	Other Income	25	51.11
	Total Income (I)		**29,512.08**
II	**EXPENSES**		
	Cost of materials consumed	26	15,851.22
	Purchase of Stock-in-Trade		9,864.86
	Change in inventories of finished goods, Stock-in-Trade and work-in-progress	27	(577.50)
	Employee benefits expense	28	281.85
	Finance costs	29	45.25
	Depreciation and amortization expense	30	183.98
	Other expenses	31	2,714.40
	Total Expenses (II)		**28,364.06**
III	**Profit/(loss) before exceptional items and tax (I-II)**		**1,148.02**
IV	Exceptional items		-
V	**Profit/(loss) before Tax (III+IV))**		**1,148.02**
VI	**Tax expense:**		
	(1) Current tax	33	14.35
	(2) Deferred tax	33	74.66
	(3) Taxes related to earlier years		
	Total Tax Expense (VI)		**89.01**
VII	**Profit/(loss) for the year (V-VI)**		**1,059.01**
VIII	**Other Comprehensive Income (OCI)**		
	Items that will not be reclassified to profit or loss		
	(i) Remeasurement gain/(loss) of defined benefit obligation *(net of taxes)*		(0.41)
	(ii) Net (loss)/gain on FVOCI equity securities *(net of taxes)*		1.18
	Other Comprehensive Income for the year (VIII)		**0.77**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**1,059.78**
X	**Net Profit Attributable to :**		
	(a) Owners of the Company		1,044.50
	(b) Non-Controlling Interest		14.51
XI	**Other Comprehensive Income Attributable to :**		
	(a) Owners of the Company		0.77
	(b) Non-Controlling Interest		-
XII	**Total Other Comprehensive Income Attributable to :**		
	(a) Owners of the Company		1,045.27
	(b) Non-Controlling Interest		14.51
XIII	**Earning Per Share of face value ₹ 10 each**		
	Basic	32	**16.60**
	Diluted	32	**16.60**

Corporate information — 1
Material accounting policies — 2
See accompanying notes forming part of financial statements

As per our report of even date attached
For Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

ASHWANI & ASSOCIATES
FRN: 000497N
LUDHIANA
CHARTERED ACCOUNTANTS

Arvind Jain
Partner
M. No. 097549

Place : Ludhiana
Date : 30.05.2026

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Tushak Garg
Managing Director
DIN: 035[illegible]

Supreena Tagra
Company Secretary

Gurmeet Singh Battu
Chief Financial Officer

GARG FURNACE LIMITED
Consolidated Cash flow statement for the year ended 31st March, 2026
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended on 31st March, 2026	
A Cash flow from operating activities		
Profit/(loss) before Tax		1,148.02
Adjustments for:		
Depreciation and amortisation	188.39	
Finance costs	45.33	
Unrealised Loss on Investments	0.51	
Allowances for expected credit loss and doubtful receivables	12.88	
Sundry Balances Written Back	(0.23)	
Rental Income	(1.80)	
Interest income on deposits	(56.55)	
		188.53
Operating profit before working capital changes		1,336.55
Changes in working capital:		
Decrease/(Increase) in inventories	(373.89)	
Decrease/(Increase) in trade and other receivables	(5,084.05)	
Increase/(Decrease) in trade payables and other liabilities	2,757.24	
		(2,700.69)
Cash generated from operations		(1,364.14)
Taxes paid		(15.71)
Net cash flow from/(used in) operating activities (A)		(1,379.85)
B Cash flow from investing activities:		
Investment made during year	(3,264.04)	
Security Deposit given	(246.89)	
Purchase of property, plant and equipment	(3,503.47)	
(Increase)/ Decrease in Term Deposits	(253.85)	
Rental Income	1.80	
Interest received	56.55	
Net cash flow from/(used in) investing activities (B)		(7,209.90)
C Net cash flow from financing activities:		
Proceeds/(Repayments) from issue of share capital during the year (inculding share premium)	3,400.03	
Proceeds/(Repayments) from short term borrowings	494.03	
Proceeds/ (Repayments) of long term borrowings	1,099.80	
Moneys received against share warrants	2,632.50	
Finance cost paid	(45.33)	
Net cash flow from/(used in) financing activities (C)		7,581.03
Net change in Cash & cash equivalents (A+B+C)		(1,008.72)
Cash & cash equivalents as at the beginning of year		1,397.24
Cash & cash equivalents as at end of the year*		388.52
* Comprises		
Balances with banks in current account		375.95
Cash on hand		6.07
Cheques on hand		6.50
		388.52

Corporate information 1
Material accounting policies 2
See accompanying notes forming part of financial statements

As per our report of even date attached
For Ashwani & Associates
Chartered Accountants
Firm Registration Number 000497N
by the hand of

Arvind Jain
Partner
M. No. 097549

Place : Ludhiana
Date : 30.05.2026

For and on behalf of the Board of Directors

Devinder Garg
Managing Director
DIN: 01665456

Toshak Garg
Managing Director
DIN: [illegible]

Supreena Tagra
Company Secretary

Gurpreet Singh Battu
Chief Financial Officer

GARG FURNACE LIMITED

Consolidated Statement of Changes in Equity for the year ended 31st March, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity Share capital

(1) Current reporting period from 1st April, 2025 till 31st March, 2026

Balance at the beginning of the current reporting period 1st April, 2025	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at the end of the current reporting period 31st March, 2026
500.87	-	500.87	180.00	680.87

B. Other Equity

(1) Current reporting period from 1st April, 2025 till 31st March, 2026

Particulars	Reserves and Surplus				Other Comprehensive Income		Monies received against share warrants	Non-Controlling Interest	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of Defined benefit obligation	Equity instruments through Other Comprehensive Income			
Balance at the beginning of the current reporting period 1st April, 2025	23.50	2,415.31	1,899.24	480.42	9.82	18.18	877.49	-	5,723.96
Non Controlling Interest Pursuant to First Time Consolidation	-	-	-	-	-	-	-	3,192.41	3,192.41
Amount received against share warrants	-	3,329.98	-	-	-	-	-	-	3,329.98
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)	-	-	-	-	(0.41)	-	(877.49)	-	(877.90)
Net (loss)/gain on FVOCI equity securities	-	-	-	-	-	1.18	-	-	1.18
Profit for the year transferred from statement of profit and loss	-	-	-	1,044.50	-	-	-	14.51	1,059.01
Balance as at the end of the current reporting period 31st March, 2026	23.50	5,745.29	1,899.24	1,524.92	9.41	19.36	-	3,206.92	12,428.64

Corporate information 1

Material accounting policies 2

See accompanying notes forming part of financial statements

As per our report of even date attached

For Ashwani & Associates

Chartered Accountants

Firm Registration Number: 000497N

by the hand of

ASHWANI & ASSOCIATES ★ CHARTERED ACCOUNTANTS FRN:000497N LUDHIANA

Arvind Jain

Partner

M. No. 097549

Place : Ludhiana

Date : 30.05.2026

For and on behalf of the Board of Directors

Devinder Garg

Managing Director

DIN: 01665456

Toshali Garg

Managing Director

DIN: 03[illegible]

Supreena Tagra

Company Secretary

Garmeet Singh Batta

Chief Financial Officer

Note 1: Corporate information

Garg Furnace Limited ("the Company") (CIN: L99999PB1973PLC003385) is a public company domiciled in India under the provisions of the Companies Act, 1956. The shares of the company are listed on one stock exchange in India i.e. at BSE Limited (BSE). The company is engaged in the manufacturing and selling of iron and steel products. The company caters to domestic market only. The registered office of the Company is situated at Kanganwal Road, Jugiana ,G.T. Road, Ludhiana.

The consolidated financial statements are approved for issue by the Board of Directors on 30th May, 2026.

Note 2 (i): Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

Non-Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

In accordance with Para 25 of IND AS 110, retained investments in former subsidiaries where control is lost during the year; provided the investee entity remains an associate of the company; are valued at fair value on the date of loss of control and such fair value is recognised through the consolidated profit and

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loss statement. Such fair value is regarded as the cost on initial recognition of an investment in the associate in the consolidated balance sheet of the company.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of Entity	Relationship	Country of Incorporation	Ownership Held By	% of Holding and Voting Power either Directly or indirectly through Subsidiary as at
				31.03.2026
Vaneera Industries Limited	Subsidiary	India	Garg Furnace Limited	51.22%

Note 2 (II): Significant accounting policies / critical accounting estimates and judgements

I. Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with the Indian Accounting Standards (IND AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time. The financial statements have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

II. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. Functional and presentation currency

The functional currency of the group is Indian rupee (INR). The consolidated financial statements are presented in Indian rupees (INR), and all values are rounded to nearest Lakh up to two decimals, unless otherwise stated.

IV. Use of estimates and judgements

The preparation of consolidated financial statements, in conformity with Ind AS requires the group to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these consolidated financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

V. Revenue recognition from operations

i) Revenue from sale of goods and services

Revenue from contracts with customer is recognized when control of goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services, and excludes taxes and levies collected on behalf of the Government. In accordance with Ind AS 115 on revenue and schedule III of Companies Act 2013, duties levies like GST are not part of revenue.

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Generally, control is transfer upon shipment of goods to the customer or when the goods are made available to the customer, provided the transfer of the title to the customer occurs and the group has not retained any significant title of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized overtime by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties. Consideration is generally due upon satisfaction of performance obligations, and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be.

In case of discounts, rebates, credits, price incentives or similar terms, considerations are determined based on its most likely amount, which is assessed at each reporting period.

ii) Export incentives

The revenue in respect of export benefits is recognised on post export basis at the rate at which the entitlements accrue.

VI. Other income

i) Dividend

Dividend income from investment is recognised when the right to receive the payment is established.

ii) Interest

Interest from customer

Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.

Other interest

Interest income is recognised using effective interest rate (EIR).

iii) Insurance and other claims

Insurance and other claims are recognized when there exists no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

VII. Retirement and other employee benefits

- **Defined contribution plans**

(i) Provident fund:

Employees receive benefit in the form of Provident fund which is a defined contribution plan. The group has no obligation, other than the contribution payable to the provident fund. The group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

- **Defined benefit plans**

(i) Gratuity:

The group provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the respective employees' salary and the tenure of employment with the Group.

Liability with regard to Gratuity Plan is determined by actuarial valuation, performed by an independent actuary at each consolidated Balance sheet date using the project unit credit method.

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The group fully contributes all ascertained liabilities to the IOL Chemicals and Pharmaceuticals Ltd Group Gratuity Trust. Contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law

The group recognises the net obligation of a defined benefit plan in its consolidated Balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income.

(ii) Compensated absences

The employees of the group are entitled for compensated absences. The employee can carry forward a portion of unutilised accumulated compensated absences and utilise it in future period or encash the leaves on retirement or on termination. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the consolidated Balance Sheet date, the cost of providing benefit is determined based on actuarial valuation using projected unit credit method. Actuarial gain /loss are recognised in the statement of profit or loss in the period in which they occur. Non accumulating compensated absences are recognised in the period, in which the absences occur.

VIII. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment if any. Freehold land is stated at cost and not depreciated. The Cost of an item of Property, Plant and Equipment comprises:

a) Its purchase price net of recoverable taxes wherever applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.

b) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably.

c) Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any, the obligation for which an entity incurs either where the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation is calculated on pro-rata basis from the date of installation till the date the asset sold or discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each consolidated balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

IX. Intangible assets

Intangible assets are stated at cost less accumulated amount of amortisation and impairment if any. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method estimated useful lives are reviewed periodically and at end of each reporting period.

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X. Inventories

Inventories are valued at cost or net realisable value whichever is lower. The cost in respect of various items of inventories is computed as under:

a) Raw Material and Components	First in first out method plus direct expenses
b) Stores and Spares	Weighted average method plus direct expenses
c) Work-in-progress	Cost of material plus appropriate share of overheads thereon at different stage of completion.
d) Finished Goods	Cost of material plus conversion cost, packing cost, and other overheads incurred to bring the goods to their present conditions and location.
e) Material in Transit	Actual cost-plus direct expenses to the extent incurred.

XI. Government grants

The government grants are recognised only when there is a reasonable assurance of compliance that conditions attached to such grants shall be complied with and it is reasonably certain that the ultimate collection will be made.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grant in relation to fixed asset is treated as deferred income and is recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

XII. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference, if any, to the extent regarded as an adjustment to the borrowing cost.

XIII. Segment information

Segment information is prepared in conformity with Ind AS 108 "Operating Segments" and the accounting policies adopted for preparing and presenting the consolidated financial statements of the enterprise as a whole.

XIV. Leases

- **The Group as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.
The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease.

Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the group changes its assessment of whether it will exercise an extension or a termination option.

- **The group as a lessor**

Leases for which the group is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

XV. Foreign currency transactions

Transactions in foreign currency are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items denominated in foreign currency are restated using the prevailing exchange rate as on consolidated balance sheet date.

Exchange differences arising on the settlement of monetary items or on reinstatement of monetary items at rates different from rates at which these were translated on initial recognition during the period or reported in previous consolidated financial statements as recognised in the consolidated statement of profit or loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on net basis.

Non-monetary items are measured in terms of historical cost in a foreign currency is translated using the exchange rate at the date of the transaction.

In case of an asset, expenses or income where a non-monetary advance is paid/ received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

XVI. Accounting for taxes on income

Income tax expense comprises current income tax and deferred tax.

Income tax expense is recognised in the consolidated statement of profit and loss except when they relate to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination the tax effect is included

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in the accounting for the business combination. Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forwards and unused tax credits could be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date 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 assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, branches and associated companies and interests in joint arrangements are not recognised if the Company is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

XVII. Earnings per share

Basic earnings per share are computed by dividing the consolidated net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

XVIII. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss (FVTPL) are added to the fair value on initial recognition. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

ii. Subsequent measurement

➢ **Non-derivative financial instruments**

1. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

2. **Financial assets at fair value through other comprehensive income**
A financial asset is subsequently measured at fair value through other comprehensive income if it 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.

The group has made an irrevocable election for its investment, which is classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the group has made an irrevocable election based on its business model, for its investment which is classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

3. **Financial assets at fair value through profit or loss**
A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

4. **Financial liabilities**
The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the consolidated balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

➢ **Financial assets or financial liability at fair value through profit or loss**

This category has financial assets or liabilities which are not designated as hedges.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the consolidated statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss, and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

De-recognition of financial instruments
A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De recognition under Ind AS 109.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments
The fair value of financial instruments is determined using the 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.

Based on the three-level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

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XIX. Impairment of assets

i) Financial assets

The group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

XX. Cash flow statement

The consolidated cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 "Statement of Cash flows" using the indirect method for operating activities.

XXI. Cash and cash equivalent

Cash and cash equivalent for the purpose of consolidated statement of cash flows include bank balances, where the original maturity is three months or less. Other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

XXII. Provisions and contingent liabilities

A provision is recognized if, as a result of past event, the group has a present obligation (legal or constructive) and on management judgement that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

XXIII. Current and non-current classification

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The group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents. Current Assets and current liabilities include current portion of non-current financial assets and non-current financial liabilities respectively.

Note 2 (iii): Critical accounting estimates

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The group reviews the useful life of property, plant and equipment at the end of each reporting date.

Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

Post-retirement benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions including any changes in these assumptions that may have a material impact on the resulting calculations.

Recognition of deferred tax assets

Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

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3 Property, Plant and Equipment

3.1 a) Reconciliation of carrying amount as at 31st March, 2026

Particulars	Freehold land	Buildings	Vehicles	Computer	Furniture & Fixture	Office Equipment	Plant & Machine	Total
Gross carrying value								
Balance at 1st April, 2025	249.67	559.67	321.22	0.12	8.51	31.53	1,685.30	2,856.02
Addition on account of fair valuation considered as deemed cost pursuant to Ind AS transition	1,313.18	-	-	-	-	-	-	1,313.18
Additions made during the year	-	-	127.58	-	5.97	7.23	15.36	156.14
Disposals / adjustments during the year	-	-	-	-	-	-	-	-
Balance at 31st March,2026	1,562.85	559.67	448.80	0.12	14.48	38.76	1,700.66	4,325.34
Accumulated Depreciation								-
Balance at 1 April, 2025	-	171.71	140.58	0.12	3.85	20.48	799.58	1,136.32
Add: Depreciation charge for the year	-	19.22	35.26	-	0.65	4.81	128.44	188.38
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-
Accumulated depreciation at 31st March, 2026	-	190.93	175.85	0.12	4.50	25.29	928.02	1,324.70
Carrying value (net)								-
At 31st March, 2026	1,562.85	368.74	272.96	-	9.98	13.47	772.64	3,000.64

Notes:

(i) No borrowing cost has been capitalized during the current and previous period.

(ii) During the year, pursuant to the first-time adoption of Ind AS and preparation of consolidated financial statements, the Group assessed the fair value of certain land held by the subsidiary. The fair value adjustment amounting to ₹ 1,313.18 Lakhs has been recognised as part of the carrying value of land.The aforesaid fair value adjustment has been considered while determining the fair value of identifiable net assets acquired for the purpose of consolidation under Ind AS 103 – Business Combinations. Consequently, the amount of goodwill recognised on consolidation has been determined after considering the said fair value adjustment.

3.2 Capital Work - in - progress

a) Reconciliation of carrying amount as at 31st March,2026

Particulars	As at 1st April, 2025	Additions	Capitalised	As at 31st March,2026
Capital Work in Progess-Plant and Machinery	397.83	3,317.14	-	3,714.97
Capital Work in Progess-Building Under Constuction	25.86	30.19	-	56.05
Machinery Under Erection	11.55	-	-	11.55

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

(i) Capital work in progress (CWIP) ageing schedule as on 31st March, 2026

Particulars	Amount in CWIP for the year ended on 31st March, 2025				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,347.33	415.56	8.13	-	3,771.02
Projects temporarily suspended	-	11.55	-	-	11.55

(ii) Capital work in progress (CWIP) completion schedule as on 31st March, 2026

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Growth Projects	3,771.02	11.55	-	-	3,782.57
Environment, safety and compliance	-	-	-	-	-

3.3 Goodwill on Consolidation

Particulars	Amount (In Lakhs)
Gross Carrying Amount as on 1st April, 2025	-
Goodwill recognised on First Time Consolidation*	299.47
Additions During the year	-
Impairment during the year	-
Closing Carrying Amount as on 31st March, 2026	299.47

*Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess the fair value of identifiable assets, liabilities and contingent liabilities less accumulated impairment losses,if any.

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4 **Non-Current Investments**

Particulars	As at 31st March, 2026
Investments In Equity Instruments	
Quoted	
Investment carried at fair value through Profit and Loss (FVTPL)	
100 Equity Shares (Previous Year: 100) of Genesys International Corporation Limited	0.21
Unquoted	
Investments Carried at fair Value through OCI (FVTOCI)	
2,12,000 (Previous year 2,12,000) fully paid up equity shares of ₹ 10 each of Sudhir Forgings Private Limited.	40.96
Total	**41.17**

Aggregate amount of quoted investments and market value thereof,	0.21
Aggregate value of unquoted investments	40.96
Aggregate value of impairment in value of investments	0.51

5 **Non current Trade Receivables**

Particulars	As at 31st March, 2026
(Unsecured, considered good)	
- Trade Receivable-Considered Good	99.89
- Trade Receivable which have significant increase in credit risk	103.29
- Less: Allowances for expected credit loss and doubtful receivables	(101.97)
Total	**101.21**

Allowance for Expected Credit Loss

Particulars	Financial Year 2025-26
Allowance for Expected credit loss and doubtful receivables	
Balance at the beginning of the period	102.94
Reversal of provision recognised	(0.97)
Expected Credit loss	-
Amount written off	-
Balance at the end of the period	**101.97**

6 **Other Financial Assets - Non Current**

Particulars	As at 31st March, 2026
Security Deposit	
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments	281.55
Processing cost	
Fixed deposits account with original and remaining maturity of more than twelve months	2.00
Total	**283.55**

7 **Other non-current assets**

Particulars	As at 31st March, 2026
Capital Advances	356.85
Advances other than capital advances :	
(i) Security Deposits	276.93
(ii) Advance to Supplier:	
- Considered good - Unsecured	83.02
Less: Impairment	(83.02)
Total	**633.78**

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8 Inventories

Particulars	As at 31st March, 2026
(Valued at cost or net realisable value, whichever is lower)	
Raw Materials	225.11
Finished Goods	1,633.72
Stock-in-Trade	32.56
Store and Spares	96.91
Work in Process	-
Total	**1,988.30**

Notes:
* **Valued at cost or net realisable value, whichever is lower**

(i) Inventory includes ₹ 82.05 Lakhs as at 31st March, 2026 valued at net realisable value.
(ii) Cost of inventory recognised as expense during the current period ₹ 15851.22 Lakhs

9 Trade receivables

Particulars	As at 31st March, 2026
(Unsecured, Considered Good)	
- Other Trade Receivables	2,353.00
Total	**2,353.00**

10 Cash and Cash equivalents

Particulars	As at 31st March, 2026
Balances with banks	
-In current Accounts	375.95
Cash on hand	6.07
Cheques on hand	6.50
Total	**388.52**

11 Other Bank Balances

Particulars	As at 31st March, 2026
Balances with banks to the extent held as margin money against borrowings and other commitments*	
Fixed deposits with original maturity of more than three months but less than twelve months	530.63
Total	**530.63**

**The group has made a Fixed Deposit with HDFC Bank as margin money against a Bank Guarantee issued in favour of the concerned Public Works Department (PWD) for the purpose of installation of its 66 KVA electrical connection. The Fixed Deposit is subject to a lien in favour of the issuing bank and, accordingly, is not freely available for use by the Company during the tenure of the Bank Guarantee.As at 31 March 2026, the carrying amount of such Fixed Deposit under lien amounted to ₹1.10 lakhs.*

** There are no earmarked balances*

12 Other financial assets

Particulars	As at 31st March, 2026
Interest Receivable	75.08
Less: Allowance for expected credit loss and doubtful receivables	(13.85)
Total	**61.23**

Allowance for Expected Credit Loss

Particulars	Financial Year 2025-26
Allowance for Expected credit loss and doubtful receivables	
Balance at the beginning of the period	-
Reversal of provision recognised	13.85
Expected Credit loss	-
Amount written off	-
Balance at the end of the period	**13.85**

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13 Current tax assets (net)

Particulars	As at 31st March, 2026
Advance income tax/TDS/TCS	30.24
Less: Provision for income tax	(14.35)
Total	**15.89**

14 Other Current assets

Particulars	As at 31st March, 2026
(Considered good - Unsecured)	
Advances Other than Capital Advances:	
Advances to suppliers	88.97
Advances to employees	2.10
Balances with statutory authorities	631.22
Prepaid expenses	4.85
Others receivables (Refer Note 33)	2,030.98
Amount paid under protest (Refer Note 30)	232.22
Total	**2,990.34**

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15 **Equity Share Capital**

Particulars	As at 31st March, 2026	
	Number	₹ in Lakhs
Authorised capital		
1,00,00,000 Equity Shares of ₹ 10- each	1,00,00,000	1,000.00
	1,00,00,000	1,000.00
Issued, subscribed and Fully paid up.		
Equity Shares of ₹ 10 each, fully paid up	68,08,700	680.87
Total	68,08,700	680.87

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

Particulars	As at 31st March, 2026	
	No of shares	Amount in ₹
Equity shares at the beginning of the year	50,08,700	500.87
Issued during the year	18,00,000	180.00
Equity shares at the end of the year	68,08,700	680.87

b) Rights,Preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend 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.

Preference shares: The company has not issued preference shares during the current and previous year

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

Particulars	As at 31st March, 2026	
	No of shares	% holding
Devinder Garg	8,54,290	12.55%
Toshak Garg	6,16,951	9.06%
Vaneera Garg	17,68,510	25.97%
Daksh Garg	6,10,550	8.97%

d) There are no shares issued without payment being received in cash during the last five years.

e) There are no buy back of equity shares during the last five years.

f) There are no bonus shares issued during the last five years.

g) There is no holding/ultimate holding company of the company.

h) Shareholding of the Promoter and the Promoter Group

Promoter Name	Shareholding of the Promoter and Promoter Group as on 31st March, 2026	
	No of shares	% of total shares
Devinder Garg	8,54,290	12.55%
Vaneera Garg	17,68,510	25.97%
Toshak Garg	6,16,951	9.06%
Daksh Garg	6,10,550	8.97%
Devinder Garg & Sons	23,600	0.35%
Amarpreet Singh Thukral	1,000	0.01%
Total Shares held by Promoter and Promoter Group at the end of the period	38,74,901	56.91%

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16 Other Equity

Particulars	As at 31st March, 2026
(i) Reserves and Surplus	
(a) Capital Reserves	
Opening Balance as per last Balance Sheet	23.50
Add : Additions during the year	-
Balance as at the year end	23.50
(b) Securities Premium Reserve	
Opening Balance as per last Balance Sheet	2,415.31
Add : Additions during the year	3,329.98
Balance as at the year end	5,745.29
(c) General Reserve	
Opening Balance as per last Balance Sheet	1,899.24
Add : Additions during the year	-
Transfer from Retained Earning	-
Balance as at the year end	1,899.24
(d) Retained Earnings	
Opening Balance as per last Balance Sheet	480.42
Profit for the year	1,044.50
Balance as at the year end	1,524.92
(ii) Other Comprehensive Income	
(a) Remeasurement of defined benefit obligation	
Opening Balance	9.82
Add: Other Comprehensive income/(expense)	(0.41)
Closing Balance	9.41
(b) (Loss)/gain on fair valuation of equity investments through other comprehensive income	
Opening balance	18.18
Add: Other comprehensive income/(expense)	1.18
Closing balance	19.36
(iii) Money received against Share Warrants	
Opening Balance	877.49
Add: Received during the year	2,632.50
Less: Converted into equity shares	3,509.99
Closing Balance	-
Total	9,221.73

Nature and purpose of reserves

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.

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.

General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders aspart of dividend.

Other Comprehensive Income

-Remeasurements of defined benefit obligation: Remeasurements of defined benefit obligation comprises actuarial gains and losses and such gains and losses will never be classified to statement of profit and loss.

-(Loss)/gain on fair valuation of equity investments through other comprehensive income: The cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of taxes and such gains and losses will never be classified to statement of profit and loss.

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17 Borrowings- Non Current

Particulars	As at 31st March, 2026
Term Loan- Secured	
From Non Banking Financial Institutions*	1,187.67
Other Loans- Unsecured	
(i) From Directors and Director's Relatives	2.30
(ii) From Corporates and Others	66.49
Total	**1,256.46**

Terms of Repayment	Repayment details of loan outstanding as at 31st March, 2026 (including current maturities)
Term Loan (Secured) : Vehicle Loan*	
i) Loan from Mercedes Benz financial services India private limited repayable in monthly instalments of ₹ 1.53 Lakhs, Total number of instalments pending are 9 as on 31st March, 2026	69.69
ii) Loan from Mercedes Benz financial services India private limited repayable in monthly instalments of ₹ 2.42 Lakhs, Total number of instalments pending are 57 as on 31st March, 2026	115.05
Term Loan (Secured) : Loan Against Property**	
i) Loan from HDB Financial Services Limited repayable in monthly instalments of ₹ 23.91 Lakhs, Total number of instalments pending are 69 as on 31st March, 2026	1,267.41
Other loans (unsecured) :	
i) Repayable on demand	68.79

*Vehicle Loans are secured by way of hypothecation of vehicles having carrying value of ₹ 200.77 lakhs

** The loan availed from HDB Financial Services Limited is secured by an equitable mortgage of the immovable property owned by Mr. Devinder Garg, Director of the Company, situated at Plot No. 20, M.C. No. B-XXXV-1521-15, Village Barewal Awana, Abadi Sukhmani Enclave, Ludhiana – 141120. The borrowing is further backed by a corporate guarantee provided by Vaneera Industries Limited, a subsidiary of the Company, in accordance with Sanction Letter No. HDB/SL/73126349/1181112/Loan Against Property.

18 Provisions- Non Current

Particulars	As at 31st March, 2026
Provision for Employee Benefits	8.39
Total	**8.39**

19 Borrowings- Current

Particulars	As at 31st March, 2026
From Banks FD/OD*	240.00
Current maturities of long-term borrowings(Vehicle Loan) (Refer Note No. 17)	69.69
Current maturities of long-term borrowings(Vehicle Loan) (Refer Note No. 17)	20.81
Current maturities of long-term borrowings(Loan Against Property) (Refer Note No. 17)	173.97
Total	**504.47**

* The overdraft facility is secured by way of a charge/lien over fixed deposits placed with the lender and created during the current financial year.

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20 Trade payables- Current

Particulars	As at 31st March, 2026
Outstanding dues of micro enterprises and small enterprises	50.37
Outstanding dues of creditors other than micro enterprises and small enterprises	993.87
Unbilled trade payables (Provision for Expenses)	78.58
Total	**1,122.82**

Particulars	Outstanding for following periods from due date of transaction*					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	50.04	0.33	-	-	50.37
(ii) Others	78.58	988.30	4.11	1.46	-	1,072.45
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	-	-	-
Total	**78.58**	**1,038.34**	**4.44**	**1.46**	-	**1,122.82**

*** There are no specific due date of payment specified in respect of trade payable, as such trade payable ageing schedule is prepared on the basis of date of transaction.**

21 Other financial liabilities

Particulars	As at 31st March, 2026
Interest accrued but not due on Borrowings	0.63
Cheque issued but not presented	189.75
Other Payables	2.30
Total	**192.68**

22 Other current liabilities

Particulars	As at 31st March, 2026
Statutory dues payables	159.30
Advance from customers	0.63
Employee Related Payables	24.21
Other Payable	14.58
Total	**198.72**

23 Provisions

Particulars	As at 31st March, 2026
Provision for Employee Benefits	21.25
Total	**21.25**

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24 Revenue from operations

Particulars	For the year ended on 31st March, 2026
Sale of products (Net of GST)	19,653.48
Sale of Stock in Trade	9,807.49
Total	**29,460.97**

Disaggregated revenue information
The table below presents disaggregated revenues from contracts with customers by sale of products for the year ended 31st March, 2026 and 31st March, 2025 respectively. The company believes that this

Particulars	For the year ended on 31st March, 2026
Details of products sold	
Non Alloy Steel Round	16,336.20
Scrap/End Cutting	76.93
Wire rod	7,488.97
Billets	3,960.03
Alloy Steel round	1,258.48
M.S. Scrap	101.28
Others	239.08
Total Revenue from Sale of Products	**29,460.97**

25 Other Income

Particulars	For the year ended on 31st March, 2026
Interest income	49.66
Rental Income	0.70
Misc Income	0.52
Provision written back	0.23
Total	**51.11**

26 Cost of materials consumed

Particulars	For the year ended on 31st March, 2026
Opening stock	435.59
Add : Purchases (Net)	15,640.74
Less: Closing Stock	225.11
Total	**15,851.22**

27 Change in inventories of finished goods, stock in trade and work -in-progress

Particulars	For the year ended on 31st March, 2026
Opening stock	
Work-in-Progress	-
Finished Goods / Stock in Trade	1,072.18
Less: Closing Stock	
Work-in-Progress	-
Finished Goods / Stock in Trade	1,649.68
Net Change in inventories of finished goods, stock in trade and work -in-progress	**(577.50)**

28 Employee benefit expense

Particulars	For the year ended on 31st March, 2026
Salary, Wages and other Allowances	274.62
Contribution to Provident and other funds	7.23
Staff Welfare Expenses	-
Directors Remuneration	-
Total	**281.85**

29 Finance cost

Particulars	For the year ended on 31st March, 2026
Amortisation of Transaction Cost	1.98
Interest Expense on term Loans (FVTPL Basis)	43.16
Other Borrowings Cost	0.11
Total	**45.25**

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30 Depreciation and amortisation expense

Particulars	For the year ending on 31st March, 2026
Depreciation of property, plant and equipment (refer note 3)	183.98
Total	**183.98**

31 Other expenses

Particulars	For the year ending on 31st March, 2026
Manufacturing Expenses	
Consumption of Stores,consumables & spare parts	441.74
Machinery Repairs and Maintenance	20.39
Power and Fuel	2,136.77
Job work charges	0.03
Testing Charges	
	2,598.93
Repair and Maintenance:	
- Vehicle	18.15
- Building	0.65
- Others	1.16
	19.96
Administrative & Other Expenses	
Auditor's Remuneration (Refer Note No.44)	4.60
Corporate Social Responsibility Expenses (Refer Note No.45)	10.55
Electricity Expenses	0.00
Foreign Exchange Fluctuation	0.13
Insurance	6.95
Listing Fee	3.25
Legal & Professional Expenses	11.25
Miscellaneous Expenses	20.93
Penalty	5.80
Provision for Expected Credit Loss	12.88
Rates & Taxes	6.15
Security Charges	1.82
Travelling & Conveyance	3.86
Unrealized Gain/loss on Investment	0.51
	88.68
Selling Expenses	
Advertisement	1.92
Freight & Cartage	3.25
Rebate and Discount	1.66
	6.83
Total	**2,714.40**

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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 per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Particulars		For the Year ended 31st March, 2026
Earning per share has been computed as under:		
Profit after tax attributable to equity shareholders (Rs.) (After adjusting Non-Controlling Interest)	A	1,044.50
Weighted average number of equity shares (number)	B	62,90,891.78
Weighted average number of equity shares in computing diluted earning per share (number)	C	62,90,891.78
Basic earnings per share (Rs.)	A/B	16.60
Diluted earnings per share (Rs.)	A/C	16.60
Face value per equity share (Rs.)		10.00

33 Current tax and deferred tax

(a) Income tax recognised in statement of profit and loss

Particulars	For the period ending 31st March 2026
Current tax	
In respect of current period	14.35
Tax adjustments related to earlier years	
Total (A)	**14.35**
Deferred tax	
In respect of current period	74.66
Total (B)	**74.66**
Total Income tax expense (A+B)	**89.01**

(b) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

Particulars	For the period ending 31st March 2026
Profit before tax	1,161.49
Income tax expense calculated at 25.1680% (Previous year 25.1680%)	292.32
Income tax for earlier years recognised in statement of profit and loss	
Income tax impact of expenses not considered for tax purpose	6.78
Income tax impact of Income not considered for tax purposes	(0.06)
Income tax impact of expenses availed on payment basis	(0.71)
Income tax impact of allowances of permanent nature	4.12
Income tax impact of depreciation & amortisation	13.59
Income tax impact of brought forward losses and unabsorbed depreciation	(298.47)
Tax expense charged to statement of profit and loss	14.35
Effective rate of tax	1.24%

(c) Movement in deferred tax balances

(i) For the Year ended as on 31st March, 2026

Particulars	As at 1st April, 2025	Recognised in Statement of Profit & Loss	Recognised in OCI	As at 31st March, 2026
Deferred tax liabilities				
(i) Tax on timing difference between book value of depreciable assets as per books of account and written down value as per Income Tax	(0.82)	146.87	-	146.05
(ii) Tax on timing difference on account of accounting treatment of Processing Charges in accordance with Ind AS 109	-	1.79	-	1.79
(iii) Tax on fair valuation of equity investments through other comprehensive income	-		0.40	0.40
Gross deferred tax liabilities (A)	**(0.82)**	**148.66**	**0.40**	**148.24**
Deferred tax assets				
(i) Tax on Delayed Payment to MSMEs pursuant to Section 43b of Income Tax Act, 1961	-	(1.77)	-	(1.77)
(ii) Tax on unfunded gratuity liability recognised pursuant to Section 40A(7) of Income Tax Act, 1961	-	(6.13)	-	(6.13)
(iii) Tax on Non Payment of Professional Tax pursuant to Section 43b of Income Tax Act, 1961	-	(0.06)	-	(0.06)
(iv) Tax on Non Payment of Labour Welfare Fund pursuant to Section 43b of Income Tax Act, 1961	-	(0.67)	-	(0.67)
(v)Tax on fair valuation of equity investments through Statement of Profit and Loss	-	(0.13)	-	(0.13)
(vi) Tax on Remeasurement gain/(loss) of defined benefit obligation	-	-	(0.14)	(0.14)
(vii) Brought Forward business losses and unabsorbed depreciation	-	(54.20)	-	(54.20)
(viii) Tax Impact of Expected credit loss pursuant to section 36 of Income Tax Act, 1961	(18.12)	(11.03)	-	(29.15)
Gross deferred tax assets (B)	**(18.12)**	**(74.00)**	**(0.14)**	**(92.25)**
Net Deferred tax (Asset)/Liabilities (A+B)	**(18.93)**	**74.66**	**0.26**	**55.99**

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34 Contingent liabilities and commitments (to the extent not provided for)

	Particulars	As at 31st March,2026
A	**Contingent liabilities**	
i	Liability on account of Bank Guarantee *	23.45
ii	Liability on account of Corporate Guarantee **	1,500.00
ii	Claims against the Group not acknowledged as debt***	259.78
iii	Dispute with GST Authorities under CGST Act, 2017****	5.04
	Total	**1,788.27**
B	**Commitments**	
i	Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	293.67
	Total	**293.67**

* The subsidiary company has executed a bank guarantee with HDFC Bank against its fixed deposit maintained with the bank

** The subsidiary has provided a corporate guarantee in favour of holding company to secure credit facilities sanctioned by HDB Financial Services Limited amounting to ₹1,500 Lakhs. As at 31 March 2026, an amount of ₹1,300 Lakhs has been disbursed and is outstanding against the said facilities The corporate guarantee covers the entire sanctioned amount of ₹1,500 Lakhs

***The parent company has received the demand notice from Punjab State Power Corporation Limited charging the interest to the tune of ₹ 259.78 Lakhs out of which ₹ 232.21 Lakhs has been paid under protest during the previous year as per court order, the said interest is levied on surcharge of ₹ 723.06 Lakhs which was fixed and paid in pursuance of the judgement passed by the Hon'ble Supreme Court The company has filed Civil Writ Petition in the High Court of Punjab and Haryana, Chandigarh against such demand and has received stay order from the court Company based on the data available and internal assessment, believes that the demand will be quashed and hence, disclosed the demand as contingent liability

**** During the year, the parent company received an Order-in-Original from the GST authorities under Section 74 of the Central Goods and Services Tax Act, 2017, confirming a demand of Input Tax Credit amounting to ₹5.04 lakhs, together with applicable interest and penalty. The demand relates to Input Tax Credit availed during FY 2019-20 from certain suppliers who were subsequently alleged by the tax authorities to have issued invoices without actual supply of goods

35 **Employee benefits**

A. Defined benefit plan: Gratuity (unfunded)

The following table set out the funded status of the gratuity plan and the amount recognised in the Parent company's financial statement as at 31st March,2026

(i) Changes in the present value of the obligation

Particulars	As at 31st March, 2026
Present value of obligation as at the beginning of the year	-
Interest cost	1.39
Current service cost	4.36
Benefits paid	(2.84)
Remeasurement - actuarial (gain) / loss	0.55
Present value of obligation as at the end of the year	**3.46**

(ii) Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2026
Present value of the defined benefit obligation as at the end of the year	24.91
Fair value of plan assets as at the end of the year	-
Net asset/(liability) recognised in the Balance Sheet	**(24.91)**

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

Particulars	As at 31st March, 2026
Current service cost	4.36
Net Interest cost	1.39
Interest income on plan assets	-
(Income)/Expense recognised in the statement of profit and loss	**5.75**

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

Particulars	As at 31st March, 2026
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	0.55
Actuarial (gain)/loss for the year on plan assets	-
Total Actuarial (gain)/loss at the end of the year	**0.55**

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

Particulars	**As at 31st March, 2026**
Current liability (amount due within one year)	16.52
Non current Liability (amount due over one year)	8.39
Total PBO at the end of the year	**24.91**

(vi) Bifurcation of actuarial (gain) / loss

Particulars	**As at 31st March, 2026**
Actuarial (Gain) / loss on arising from change in demographic assumption	
Actuarial (Gain) / loss on arising from change in financial assumption	(0.39)
Actuarial (Gain) / loss on arising from change in experience assumption	0.94
Net Actuarial Loss/(Gain)	**0.55**

(vii) Principal actuarial assumptions at the Balance Sheet date

Particulars	**As at 31st March, 2026**
Mortality Table	IAL 2012-14 Ultimate
Attrition rate	0.00%
Imputted Rate of return/ Discount rate (per annum)	7.85%
Rate of increase in compensation levels (per annum)	8.00%
Average remaining working lives of employees (years)	20.49
Method used	Projected unit credit

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience. The assumptions and methodology used in actuarial valuation are consistent with the requirements of Ind AS 19

(viii) Actuarial risks exposures and Sensitivity cum Scenario Testing

	SENSITIVITY CUM SCENARIO TESTING (GRATUITY)				
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:	**SR**	**IROI**	**AR**	**AVGL (In Rs.)**	**Difference over base**
	(1.00)	(1.00)	(1.00)	25,12,806.00	22,504.00
	(1.00)	0.00	(1.00)	24,71,211.00	(19,091.00)
	(1.00)	1.00	(1.00)	24,32,696.00	(57,606.00)
a) Salary increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.	(1.00)	(1.00)	0.00	24,90,356.00	54.00
	(1.00)	0.00	0.00	24,51,065.00	(39,237.00)
	(1.00)	1.00	0.00	24,14,605.00	(75,697.00)
	(1.00)	(1.00)	1.00	24,68,647.00	(21,655.00)
b) Imputed Rate of Return (IROR) - Reduction in discount rate in subsequent valuations can increase the plan's liability	(1.00)	0.00	1.00	24,31,457.00	(58,845.00)
	(1.00)	1.00	1.00	23,96,887.00	(93,415.00)
	0.00	(1.00)	(1.00)	25,57,337.00	67,035.00
	0.00	0.00	(1.00)	25,12,746.00	22,444.00
c) Mortality - Actual deaths proving lower or higher than assumed in the valuation can impact liabilities	0.00	1.00	(1.00)	24,71,531.00	(18,771.00)
	0.00	(1.00)	0.00	25,32,319.00	42,017.00
	0.00	0.00	0.00	24,90,302.00	0.00
	0.00	1.00	0.00	24,51,364.00	(38,938.00)
	0.00	(1.00)	1.00	25,08,284.00	17,982.00
d) Withdrawals - Actual withdrawals proving higher or lower than that assumed and change of withdrawals rates at subsequent valuations can impact Plan's liability	0.00	0.00	1.00	24,68,592.00	(21,710.00)
	0.00	1.00	1.00	24,31,741.00	(58,561.00)
	1.00	(1.00)	(1.00)	26,04,699.00	1,14,397.00
	1.00	0.00	(1.00)	25,56,849.00	66,547.00
SENSITIVITY CUM SCENARIO TESTING TABLE (GRATUITY)	1.00	1.00	(1.00)	25,12,689.00	22,387.00
	1.00	(1.00)	0.00	25,76,847.00	86,545.00
The table reflects change in liabilities that will result from change in assumption in respect of salary rise, imputed rate of return and attrition rates. Deviation in expected mortality is of less significance and thus not included in analysis	1.00	0.00	0.00	25,31,861.00	41,559.00
	1.00	1.00	0.00	24,90,246.00	(56.00)
	1.00	(1.00)	1.00	25,50,244.00	59,942.00
	1.00	0.00	1.00	25,07,847.00	17,545.00
	1.00	1.00	1.00	24,68,540.00	(21,762.00)

B. Contribution to Provident Fund

The Parent company has recognized an expense of ₹ 0.73 Lakhs (₹1.00 in previous year) in respect of employer's contribution to Provident Fund.

C. Impact of New Labour Codes

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Codes have been made effective from November 21, 2025. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations

The incremental impact of these changes, assessed by the Parent Company, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, is not material and has been recognised in the financial results of the Company for the year ended 31st March 2026. Once Central/ State Rules are notified by the Government on all aspects of the Codes, the Company will evaluate impact, if any, on the measurement of employee benefits and would provide appropriate accounting treatment

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36 Segment Reporting

The group is engaged in the business of manufacturing and trading of Iron and Steel Products such as M.S. Round, Ingot, Billet, Wire Rod etc. Accordingly, the group has only one identiable segment reportable under Ind AS 108 "Operating Segment". The chief operational decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

Revenue for the Current Year from Domestic & Export Sale is as below :

Particulars	**As at 31st March, 2026**
Revenue from Domestic Sales	29,460.97
Total Revenue	**29,460.97**

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

Particulars	**As at 31st March, 2026**
Revenue from Top 1 Customer (Amount)	4467.39
Revenue from Top 1 Customer (Percentage)	15.16%
Revenue from Other Customers (Amount)	24462.58
Revenue from Other Customers (Percentage)	83.03%
Total Revenue	**29,460.97**

37 During the year, the subsidiary Company entered into an Agreement to Sell on 11 July 2025 with relative of its director (Father of Mr. Daksh Garg), Mr. Devinder Garg, for the acquisition of an immovable property. Pursuant to the terms of the agreement, the Company paid an advance of ₹1,900.68 lakhs to the seller towards such agreement to sell.

Subsequently, on 11th January 2026, both the parties mutually agreed not to proceed with the proposed acquisition. As a result, the said Agreement to sell was cancelled.

As per the mutually agreed terms, Mr. Devinder Garg has acknowledged the outstanding amount and has undertaken to repay the same in accordance with the following repayment schedule:

* The advance amount shall be refunded on or before 31 December 2026.
* In the event the seller is unable to refund the amount by 31 December 2026, the parties may mutually agree to extend the repayment date; however, such extension shall not be beyond 31 July 2027.
* No interest shall be charged by the Company on the outstanding receivable during the repayment period.

Consequently, as at 31 March 2026, the advance paid by the Company has been recognised as a recoverable amount from the seller.(refer note no. 12)

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38 **Related party disclosures (As identified and certified by the management)**

In accordance with the requirements of IND AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

A. **Related party and their relationship:-**
Key Management Personnel:

A. Relationship with the Related Parties

S.No.	Relationship	Name of the Person/Entity
A.	Key Management Personnel	(i) Davinder Garg (Managing Director)
		(ii) Toshak Garg (Managing Director)
		(iii) Vaneera Garg (Whole-time Director)
		(iv) Amandeep Kaur (Independent Director)
		(v) Mehak Jain (Independent Director) (w.e.f. 14.08.2025)
		(vi) Shruti Gupta (Independent Director)
		(vii) Gurmeet Singh Battu (Chief Financial Officer)
		(viii) Supreena Tagra (Company Secretary)
B.	Enterprises and other entities over which KMP and their relatives are able to exercise significant influence	Avtar Exports Private Limited
C.	Relative of KMP	(i) Daksh Garg
		(ii) Nivedita Garg
		(iii) Ridhima Garg

B **Details of transactions entered into with related parties during the year as required by Ind AS 24 on "Related Party Disclosures" of Companies (Indian Accounting Standards) Rules 2015.**

Sr. No.	Particulars	Enterprises over which KMP is able to exercise significant influence or control	Key Management Personnel (KMP)& Their Relatives	Total paid during the year ended 31st March, 2026
1	Remuneration Paid			
	- Daksh Garg	-	18.00	18.00
	- Devinder Garg	-	24.00	24.00
	- Nivedita Garg	-	18.00	18.00
	- Toshak Garg	-	18.00	18.00
	- Vaneera Garg	-	18.00	18.00

C **Details of balances outstanding as at the end of the period**

Sr. No.	Particulars	Enterprises over which KMP is able to exercise significant influence or control	Key Management Personnel (KMP)& Their Relatives	Total
		For the year ended 31st March, 2026	For the year ended 31st March, 2026	For the year ended 31st March, 2026
1	Amount Payable/(Recoverable)			
	- Daksh Garg	-	0.19	0.19
	- Devinder Garg*	-	1.05	1.05
	- Nivedita Garg	-	12.85	12.85
	- Toshak Garg*	-	1.08	1.08
	- Vaneera Garg*	-	9.95	9.95
	- Avtar Exports limited	6.49	-	6.49

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

(ii)* Long-term employee benefits for Key Managerial Personnel:
The managerial personnel are covered by group's gratuity policy and are eligible for compensated absences along with other employees of the group. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

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39 Disclosures of Financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:
As at 31-March-2026

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial Assets:							
Non-Current Investments	-	0.21	-	40.96	-	41.17	41.17
Other Financial Non-Current Assets	283.55	-	-	-	-	283.55	283.55
Trade receivables	2,454.22	-	-	-	-	2,454.22	2,454.22
Cash and cash equivalents	388.52	-	-	-	-	388.52	388.52
Bank balances other than (ii) abov	530.63	-	-	-	-	530.63	530.63
Other financial assets-Current	61.23	-	-	-	-	61.23	61.23
Total	**3,718.15**	**0.21**	-	**40.96**	-	**3,759.32**	**3,759.32**
Financial Liabilities:							
Long Term Borrowings	1,256.46	-	-	-	-	1,256.46	1,256.46
Short Term Borrowings	504.47	-	-	-	-	504.47	504.47
Trade payables	1,122.82	-	-	-	-	1,122.82	1,122.82
Other financial liabilities-Current	198.72	-	-	-	-	198.72	198.72
Total	**3,082.47**	-	-	-	-	**3,082.47**	**3,082.47**

Fair Valuation Techniques:

The group maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount 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 group has disclosed financial instruments such as Trade receivables, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values.

(b) Basis of Fair value of Financial assets and liabilities

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

(ii) Quantitative disclosures of fair value measurement hierarchy as on March 31, 2026

Financial Instruments by Category	Carrying Value March 31, 2026	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at amortised cost				
Non-Current Investments	41.17	0.21	40.96	-
Other Financial Non-Current Assets	283.55	-	-	283.55
Trade receivables	2,454.22	-	-	2,454.22
Cash and cash equivalents	388.52	-	-	388.52
Bank balances other than (ii) above	530.63	-	-	530.63
Other financial assets-Current	61.23	-	-	61.23
Total	**3,759.32**	**0.21**	**40.96**	**3,718.15**
Financial Liabilities at amortised cost				
Long Term Borrowings	1,256.46	-	-	1,256.46
Short Term Borrowings	504.47	-	-	504.47
Trade payables	1,122.82	-	-	1,122.82
Other financial liabilities-Current	198.72	-	-	198.72
Total	**3,082.47**	-	-	**3,082.47**

(iii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31st March, 2026

Particulars	Fair Value	Fair Value measurement using			Valuation technique(s)
		Level 1	Level 2	Level 3	
Non- current investments at fair value through OCI	40.96	-	40.96	-	Book value as per the previously audited financial statements
Non- current investments at fair value through Profit and Loss	0.21	0.21	-	-	Quoted price as per the market as on 31st March 2026
	41.17	**0.21**	**40.96**	-	

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40 Financial Risk Management

The financial assets of the group include loans, trade and other receivables, security deposits and cash and bank balances that derive directly from its operations. The financial liabilities of the group, other than derivatives, include loans and borrowings, trade payables and other payables, and the main purpose of these financial liabilities is to finance the day to day operations of the group.

The group's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the group.

The group is mainly exposed to the following risks that arise from financial instruments:
(i) Market risk (including currency risk, interest rate risk and other
(ii) Liquidity risk
(iii) Credit risk

This note explains the risks which the group is exposed to and policies and framework adopted by the group to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the group's exposure to market risk or the methods in which they are managed or measured.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group undertakes transactions denominated in foreign currencies: consequently, exposures to exchange rate fluctuations arise. The group's exposure to currency risk relates primarily to the group's operating activities when transactions are denominated in a different currency from the group's functional currency.

The group during the year is not exposed to any foreign currency risk as there are no dealings in foreign exchange

(b) Interest Rate Risk

The group's exposure to the risk of changes in market interest rates relates primarily to long term debt. Borrowings at variable rates exposes to cash flow risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the group and impact of floating rate borrowings on group's profitability.

Interest Rate Risk Exposure

Particulars	As at 31st March, 2026	
	Amount	% of Total
Fixed Rate Borrowings	243.97	13.85%
Variable Rate Borrowings	1,448.18	82.24%
Interest Free Borrowings	68.79	3.91%
Total Borrowings	**1,760.94**	**100%**

At the reporting date the interest rate profile of the group's interest bearing financial instrument is at its fair value:

Particulars	Carrying amount
	Financial Year
	2025-26
Long term borrowings	1,256.47
Short term borrowings (Current maturities of long term debt)	504.47

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31st March, 2026
Increase in 100 basis point	14.48
Decrease in 100 basis point	(14.48)

(ii) Liquidity Risk

Liquidity risk refers to the risk that the group will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The financial liabilities of the group include loans and borrowings, trade and other payables. The group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

Liquidity Risk Management

The Management of the group is responsible for liquidity risk management who has established an appropriate liquidity risk management framework for the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The group monitors its risk of shortage of funds to meet the financial liabilities. The group plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the group at the end of each reporting period:

Particulars	As at 31st March, 2026
Borrowings including current maturities	**1,760.93**
Less than 1 year	504.47
1-2 year	222.52
2-5 year	827.03
5-10 year	206.92
Later	-
Short term borrowings	**504.47**
Less than 1 year	504.47
1-2 year	-
2-5 year	-
5-10 year	-
Later	-
Trade Payables	**1,122.82**
Less than 1 year	1,122.82
1-2 year	-
2-5 year	-
5-10 year	-
Later	-
Other Financial liabilities	**198.72**
Less than 1 year	198.72
1-2 year	-
2-5 year	-
5-10 year	-
Later	-

(iii) Credit Risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The group assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The group has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following table gives details in respect of percentage of revenues generated from top one customer and top five customer:

Particulars	Financial Year
	2025-26
(a) Revenue from top five customers	
Revenue from top customer (%)	**15.16%**
Revenue from top five customers (%)	**83.03%**

* *Revenue from top customer amounting to Rs.4467.399 (in Lakhs).*

Credit Risk Exposure

The group has used a practical expedient by computing the expected loss allowance for trade receivables based on historical credit loss experience and adjustments for forward looking information

Particulars	Financial Year
	2025-26
Less than one year	1,977.5[illegible]
More than one year	121.[illegible]

The allowance for lifetime expected credit loss on customer balances for the year ended 31st March, 2026 was ₹34.51 Lakhs

Write off policy

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

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41 Capital Management

The group's capital management objectives are:
-to ensure the group's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
-to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value

Total equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the group

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders. return capital to shareholders or issue new shares.

The group monitors capital using a gearing ratio, which is calculated by dividing Net Debt from the Equity. The group's gearing ratio was as follows:

Particulars	As at 31st March, 2026
Borrowings including current maturities and interest accrued but not due	1,760.93
Less: Cash & cash equivalent and other bank balances	919.15
Net debt (A)	**841.77**
Total equity (B)	9,902.60
Gearing ratio (A/B)	**0.09**

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31st March, 2026.

42 Disclosures Required Under Section 22 of The Micro, Small And Medium Enterprises

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the group are as under:

S.No.	Particulars	As at 31st March, 2026
i.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	50.37
ii.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	-
iii.	The amount of interest paid by the buyer in terms of section 16 of the MSME Act, along with the amount of payment made to the suppliers beyond the appointed day during each accounting year	-
iv.	The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSME act	-
v.	The amount of interest accrued and remaining unpaid at the end of the accounting year	-
vi.	The amount of further interest due and payable even in succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of dis-allowance as a deductible expenditure under section 23	-

* The group has evaluated the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") relating to interest payable on delayed payments to Micro and Small Enterprises. Based on the management's assessment, the amount of interest, if any, payable under Section 16 of the MSMED Act on outstanding dues to Micro and Small Enterprises is not material to the financial statements.

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(All amounts in ₹ in Lakhs, unless otherwise stated)

43 Reconciliation of Cash flow from Financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17th March, 2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 " Statement of Cash Flows" for the period beginning on 1st April, 2017

Particulars	Current borrowing	Non-current borrowing including
Opening balance of Financial liabilities as on 1st April, 2025 coming under the financing activities of Cash Flow Statement	-	167.10
a) Changes from financing cash flow	240.00	1,353.84
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	
d) Changes in fair value	-	
Closing balance of Financial liabilities as on 31st March, 2026 coming under the financing activities of Cash Flow Statement	**240.00**	**1,520.94**

44 In accordance with the Ind AS-36 on Impairment of Assets, the group has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.

45 Trade Receivables Ageing Schedule

Particulars	Outstanding for the following periods from date of transaction*						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	1,925.57	427.38	0.05	18.02	10.19	-	**2,381.21**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	0.25	60.94	**61.19**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables – considered good	-	-		-	-	71.68	**71.68**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	42.10	**42.10**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**1,925.57**	**427.38**	**0.05**	**18.02**	**10.43**	**174.73**	**2,556.18**
Less: Allowance for expected credit loss and doubtful receivables	-	-	-	-	-	-	**(101.97)**
Total Trade Receivables	**1,925.57**	**427.38**	**0.05**	**18.02**	**10.43**	**174.73**	**2,454.22**

***There is no specific due date of payment in respect of trade receivables, as such trade receivable ageing schedule is prepared on the basis of date of transaction.**

46 Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of transaction*					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	50.04	0.33	-	-	50.37
(ii) Others	78.58	988.30	4.11	1.46	-	1,072.45
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	-	-	-
Total	78.58	1,038.35	4.44	1.46	-	1,122.82

*** There are no specific due date of payment specified in respect of trade payable, as such trade payable ageing schedule is prepared on the basis of date of transaction.**

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(All amounts in ₹ in Lakhs, unless otherwise stated)

47 **Additional Regulatory Information**

Sr. No	Additional Regulatory Information	Remarks
1	Fair valuation of investment property	Not Applicable
2	Revaluation of Property, Plant and Equipment and Right-of-Use Assets	The group has not revalued its Property, Plant & Equipment during the year. The group does not have any Right-of-use-assets during the year.
3	Revaluation of Intangible assets	The group has not revalued its Intangible Assets during the year.
4	Loans or advances to specified persons	There are no loans and advances granted to promoters, directors and KMP's during the year by the group.
5	Intangible assets under development	Not Applicable
6	Details of Benami Property held	There is no Benami Property held by the group.
7	Borrowings secured against current assets	The Parent Company has obtained an overdraft facility from Bank, secured by way of a lien over fixed deposits placed with the bank.
8	Wilful Defaulter	The group has not been declared as wilful defaulter by any bank or financial Institution or other lender during the year.
9	Relationship with Struck off Companies	There is no relationship of the group with struck off companies
10	Compliance with number of layers of companies	The Parent Company has one subsidiary, namely Vaneera Industries Limited (Formerly known as Vaneera Industries Private Limited). The Company has complied with all applicable statutory and regulatory provisions relating to its subsidiary.
11	Compliance with approved Scheme(s) of Arrangements	Not Applicable
12	Utilisation of Borrowed funds and share premium	The working capital borrowing has been utilised by the group in its own business, the group has not loaned or advanced or invested funds to any other person(s) or entity(ies), including foreign entities with any understanding and the vehicle loan has been utilised by the group for purchase of vehicle.
13	Undisclosed Income	There is no undisclosed income during the year.

48 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary:

S.No.	Name of Entity	Share In Net Assets		Share In Profit/(Loss)		Share In Other Comprehensive Income		Share In Total Other Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Other Comprehensive Income	Amount
1	**Parent** Garg Furnace Limited	75.42%	9,887.36	104.52%	1,106.91	100.00%	0.77	97.12%	1,029.27
2	**Indian Subsidiaries** Vaneera Industries Limited - Subsidiary attributable to Owners of Parent	0.12%	15.24	-2.32%	(24.53)	-	-	1.51%	15.99
3	**Others** -Non-Controlling Interest	24.46%	3,206.92	-2.21%	(23.36)	-	-	1.37%	14.51
	-Adjustment due to consolidation					-	-		
	Total	100.00%	13,109.52	100.00%	1,059.01	100.00%	0.77	100.00%	1,059.78

49 **Disclosure of Material Non Controlling Interest**

A. **The table below shows details of non-wholly owned subsidiaries of the Group that have material NCI**

(I) As at 31st March, 2026

Name of Subsidiary	Proportion of Ownership Interest & Voting Rights held by NCI	Profit / (Loss) attributable to NCI	Accumulated NCI
Vaneera Industries Limited	48.78%	14.51	3206.92

B. **Summarised consolidated financial information in respect of each of the Group's subsidiaries that has material non-controlling interests and disclosure of interest of Non Controlling Interest**

Summarised Financial	Vaneera Industries Limited
Current Assets	3,317.99
Non-Current Assets	4,691.07
Current Liabilities	2,755.09
Non-Current Liabilities	8.79
Total Income	2,916.41
Profit after Tax	39.99
Total Comprehensive Income	39.99
Net Cash Inflow/(Outflow)	(361.16)

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