

27th
ANNUAL REPORT
1999-2000



GARG FURNACE LIMITED

GARG FURNACE LIMITED

MANAGEMENT
BOARD OF DIRECTORS**CHAIRMAN**

Sh. J.C. Garg

MANAGING DIRECTOR

Sh. Sanjiv Garg

DIRECTORS

Sh. Davinder Garg
 Sh. Rajiv Garg
 Sh. R. D. Khanna
 Sh. Ashwani Kumar

AUDITORS

M/s. Dass Khanna & Co.
 B-XXX,711, 1st Floor,
 Gurdev Nagar, Pakhowal Road.
 Ludhiana - 141 001

BANKERS

Punjab & Sind Bank
 Saban Bazar Ludhiana

REGISTERED OFFICE & WORKS

Kanganwal Road,
 Near Octroi Post Ambala Side
 V.P.O Jugiana. G.T. Road,
 Ludhiana - 141 120.



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GARG FURNACE LIMITED

NOTICE

Notice is hereby given that 27th Annual General Meeting of the members of the Company will be held on Friday, the 29th day of September, 2000 at 9.30 A.M. at B-XXIX-2252/1, Kanganwal Road, V.P.O. Jugiana, G. T. Road, Ludhiana to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended on that date, together with the reports of Directors and Auditors thereon.
2. To appoint a director in place of Sh. R. D. Khanna who retires by rotation and being eligible offer himself for reappointment.
3. To appoint a director in place of Sh. Ashwani Kumar who retires by rotation and being eligible offer himself for reappointment.
4. To appoint auditors and to fix their remuneration, M/s Dass Khanna & Co., Chartered Accountants who retire on the conclusion of the meeting, being eligible offer themselves for reappointment.

For and on behalf of Board

Place : Ludhiana
Dated : 24th August, 2000

J. C. Garg
Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER THE PROXIES ARE EFFECTIVE IT SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.
2. *The Register of Members & Share Transfer Register of the Company will remain closed from 28th September, 2000 to 29th September, 2000 (both days inclusive).*
3. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the relevant information ready.
4. Members are requested to bring the copy of Annual Report alongwith them at the meeting.
5. **MEMBERS MAY PLEASE NOTE THAT NO GIFTS/COUPONS SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY.**

GARG FURNACE LIMITED

DIRECTORS' REPORT

To

The Members of

GARG FURNACE LIMITED

Your Directors have pleasure in presenting the 27th Annual Report and Audited statement of Accounts of the company for the year ended 31st March, 2000.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	1999-2000	1998-1999
Operating Income	10990.14	9876.94
Profit before depreciation & tax	141.40	180.65
Less : Depreciation	68.78	94.55
Provision for tax	12.10	11.00
Profit after Tax	60.52	75.10
Less : Prior year tax provision	2.01	2.09
Add : Balance brought forward	85.05	312.04
	<u>143.56</u>	<u>385.05</u>

APPROPRIATIONS

Transfer to General Reserve	50.00	300.00
Balance carried over to Balance Sheet	93.56	85.05
	<u>143.56</u>	<u>385.05</u>

OPERATIONS

During the year under review, the company has achieved an operating income of Rs. 10990.14 Lacs as compared to Rs. 9876.94 Lacs during the previous accounting year. The net profit after taxes was Rs. 60.52 Lacs as against Rs. 75.10 Lacs during the previous accounting year.

DIVIDEND

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

Y2K TRANSITION

Y2K transition has been smooth and trouble free.

LISTING

The Company's Equity Shares are listed at The Ludhiana Stock Exchange Association Ltd., Feroze Gandhi Market, Ludhiana, The Delhi Stock Exchange Association Ltd., DSE House 3/1 Asaf Ali Road, New Delhi & The Stock Exchange Mumbai, Dalal Street, Mumbai. The listing fee dues has been paid to the said Stock Exchanges.

DIRECTORS

Sh. R. D. Khanna, Sh. Ashwani Kumar retire by rotation and being eligible, have offered themselves for re-appointment.

GARG FURNACE LIMITED

AUDITORS

M/s Dass Khanna & Company, Chartered Accountants Ludhiana retire at the conclusion of ensuing Annual General Meeting. They have indicated their willingness to accept re-appointment and have further confirmed their eligibility u/s 224 (1B) of the companies Act, 1956.

Further observations made by Auditors in their Audit Report are self explanatory and therefore do not call for any further comments.

FIXED DEPOSITS

The fixed deposit outstanding as on 31st March, 2000 was Rs. 8.90 Lacs. During the year under review there was no deposit which were overdue or unclaimed. The company has complied with the provisions of section 58-A of the Companies Act, 1956 and rules made thereunder.

INDUSTRIAL RELATIONS

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

PARTICULARS OF EMPLOYEES

Information pertaining to employees pursuant to section 217 (2A) of the Companies Act, 1956 is Nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO

The Information relating to conservation of energy, technology absorption and foreign exchange earning and out go as required under section 217 (1) (e) of the Companies Act, 1956 read with the companies (Disclosures of Particulars in the report of Directors) Rules 1988 is annexed and forms part of this report.

ACKNOWLEDGEMENT

The Directors wish to extend their sincere thanks to Punjab & Sind Bank, Punjab State Electricity Board, Container Corporation of India, other state and Central Government Agencies, Suppliers and Customers for their continued support & co-operation.

The Directors also wish to place on record their deep appreciation for the services rendered by the staff and workers at all levels.

.For and on behalf of the Board

Place : Ludhiana
Dated : 24th August, 2000

J. C. Garg
Chairman

GARG FURNACE LIMITED

Information pursuant to section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 and forming part of the Director's Report for the year ended 31st March, 2000

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

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 suggestion of experts in the areas where energy reduction and fuel & Oil conservation is possible.

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.

A. POWER & FUEL CONSUMPTION

1. Electricity

Current Year

Previous Year

a) Purchased

Units (KWH)

Total amount

Rate per unit

46817843 Units
Rs. **14,25,84,782.00**
Rs. **3.04**

44848582 Units
Rs. **12,91,18,053.00**
Rs. **2.88**

b) Own Generation

i) Through Diesel Generator

Units (KWH)

Units per litre of diesel

Oil cost/unit

19747 Units
3.25
Rs. **4.34**
Nil

21950 Units
3
Rs. **3.36**
Nil

ii) Through steam Turbine

2. Furnace Oil

Quantity (Ltrs.)

Total amount

Average Rate

2670995 Ltrs.
Rs. **2,59,84,290.90**
Rs. **9.73 per Ltr.**

2748160 Ltrs.
Rs. **1,86,26,771.80**
Rs. **6.78 per Ltr.**

3. Diesel Oil

Quantity (Ltrs.)

Total amount

Average Rate

214120 Ltrs.
Rs. **30,19,096.00**
Rs. **14.10 per Ltr.**

B. CONSUMPTION PER UNIT OF PRODUCTION

Electricity (KWH)

Furnance Oil & Diesel

Steel Ingots, Rounds, Castings/wire Rod
Casting/Rounds/Wire Rod

Products

Current Year

Previous Year

570 Units(*)
67 Ltrs.

608 Units(*)
69 Ltrs.

(*) Consumption for separate products is not feasible.

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption is 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

1999-2000

1998-1999

Total Foreign Exchange

Earned

Used (CIF Value of Imports)

Nil
Rs. **16,85,10,961.00**

Nil
Rs. **15,41,96,077.00**