45th ANNUAL REPORT 2017-18

GARG FURNACE LIMITED

MANAGEMENT

BOARD OF DIRECTORS

DIRECTORS (PROMOTERS)	:	Sh. Devinder Garg (Executive Chairman) Smt. Vaneera Garg (Women, Non Executive Director)
DIRECTORS INDEPENDENT	:	Sh. Pawan Kumar Garg Sh. Amit Gupta
AUDITOR	:	M/s R.K Chadha & Co. GT Road, Miller Ganj, LUDHIANA 141 003, (PB) INDIA.
COST AUDITOR	:	Meenu & Associates H.No. S-200, Basant Vihar Colony, Noorwala Road, LUDHIANA.
BANKERS	:	Indian Bank
REGISTERED OFFICE & WORK	:	Kanganwal Road, Near Old Octroi Post Ambala Side, V.P.O. Jugiana, G.T. Road, LUDHIANA-141120

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GARG FURNACE LIMITED

CIN: L99999PB1973PLC003385
Regd. Office: Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana-141120
Phone: 0161-2512285, +91-84279-00130
Email: gargfurnace@yahoo.com, Web: www.gargfurnace.com

NOTICE

Notice is hereby given that the 45th Annual General Meeting of the members of the company would be held on Saturday, the 29th day of September, 2018 at 10:30 A.M. at the Registered office at Kanganwal Road V.P.O. Jugiana G T. Road, Ludhiana-141120 to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2018 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Devinder Garg (DIN: 01665456), who retires from office by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED THAT, pursuant to the first proviso to Section 139(1) of the Companies Act, 2013, read with the first proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the re-appointment of M/s R.K. Chadha & Company. Chartered Accountants Ludhiana (ICAI Registration No. 003513N), as the auditors of the Company to hold office from the conclusion of the forthcoming Annual General Meeting until the conclusion of the Next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company, be and is hereby ratified."

SPECIAL BUSINESSES

4. **To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of INR. 20000.00 (Rs. Twenty Thousand Only) plus out-of-pocket expenses payable to M/S Meenu & Associates, Cost Accountants (Firm's Registration No. Frn; 100729) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31 March, 2019."

5. **To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:**

"RESOLVED "RESOLVED THAT pursuant to provisions of appropriate Article of Article of Association of the

Company and Sections, 198,269,309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions if any needed, the approval of members of company be and is hereby given to the re-appointment of Mr. Devinder Garg (DIN: 01665456) as the Managing Director of the company for a period of three years with effect from 01/08/2018 on the terms and conditions hereinafter mentioned in explanatory statement attached to this proposed motion.

"RESOLVED FURTHER THAT other directors of the company be and are hereby authorized severally to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

For and on behalf of the Board

Sd/-
Devinder Garg
Chairman
DIN : 01665456

Place: LUDHIANA
Date: 01/09/2018

NOTES:

a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED, DULY COMPLETED AND SIGNED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.

b) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special business under Item Nos. 4 & 5 above, is annexed hereto.

c) The Board of Directors of your Company comprised of 4 directors of which 2 directors viz. Mr. Pawan Kumar (DIN: 03591023), & , Mr. AMIT GUPTA (DIN : 03615152), are Independent Directors, who are not liable to retire by rotation in terms of Sections 149 and 152 of the Companies Act, 2013. Further, Mr. Devinder Garg, appointed as Chairman & Managing Director of your Company, Mrs.Vaneera Garg Non Executive -Woman Director are appointed are subject to retires by rotation, and one of them Mr. Devinder Garg are liable to retire by rotation at this AGM in pursuance with the provisions of the Companies Act, 2013.

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

e) The Register of Members and Share Transfer books of the Company will remain closed from Thursday, September 27, 2018 to Saturday, September 29, 2018 (both days inclusive).

f) Shareholders holding shares in the physical form are requested to notify any change in their address/mandate/bank details / e-mail address to, the Registrars and Transfer Agents, to facilitate better services.

g) Members are requested to register their e-mail addresses with the Company / Depository Participant to enable us to send you the Report and Accounts, Notices etc. in electronic mode, as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India.

h) SEBI vide its circular ref no. MRD/DoP/ Cir-05/2009 dated 20.05.2009 has clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/RTA for registration of such transfer of shares irrespective of the amount of such transaction.

I) All intended transferee(s) are, therefore, requested to furnish a self certified copy of their PAN Card along with the relevant transfer deed for registration of transfer of shares. Please note that the shares lodged for transfer without self certified copy of PAN Card of the transferee(s) shall be returned under objection.

j) Members desirous of any additional information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.

k) Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting.

l) The Company has provided facility of e-voting to its members as prescribed under the Companies Act, 2013. The instructions for e-voting are annexed to this Notice.

m) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

n) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules issued thereunder will be available for inspection by the

members at the Annual General Meeting.

o) Voting through electronic means

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their rights to vote at the 45th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).The instructions for e-voting are as under:

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

   (i) The voting period begins on Wednesday, 26th September, 2018 (9.00AM IST) and ends on Friday, 28th September, 2018 (5.30PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21ST September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

   (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

   (iii) The shareholders should log on to the e-voting website - www.evotingindia.com

   (iv) Click on Shareholders.

   (v) Now Enter your User ID

      a. For CDSL: 16 digits beneficiary ID,

      b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

      c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

   (vi) Next enter the Image Verification as displayed and Click on Login.

   (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

   (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on address slip • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Date of Birth (DOB)	• Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(xii) Click on the EVSN for the relevant Garg Furnace Limited on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to www.helpdesk.evotingindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(l) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date 21ST September, 2018 may follow the same instructions as mentioned above for e-Voting.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex,Mafatlal Mill Compounds,N M Joshi Marg, Lower Parel (East),Mumbai - 400013, or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

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

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

The Scrutinizer shall submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman. The results declared along with the Scrutinizer's report, will be posted on the Company's Website by 1st October, 2018.

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

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.3 to 4 of the accompanying Notice dated 1st September, 2018:

A brief profile of the Directors to be appointed is given below, along with Informations pursuant to corporate governance clause of listing agreement(s) regarding the directors new appointment, seeking re-appointment in AGM.

Name of the Director	Sh. Devinder Garg
Date of Birth	25/05/1965
Date of Appointment	15/11/2016
Qualification	B.A
Expertise in Specific Area	Business Experience of More then 21 Yrs.
Directorship in other Companies	Nil
Chairman/Member of committees of other Companies	Nil

Item No. 3:

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, M/s R.K. Chadha & Company. Chartered Accountants Ludhiana (ICAI Registration No. 003513N) was appointed by the shareholders at the 45th Annual General Meeting until the conclusion of the 49th Annual General Meeting, subject to ratification by shareholders at each annual general meeting.

The members are requested to ratify the appointment of M/s R.K. Chadha & Company. Chartered Accountants Ludhiana (ICAI Registration No. 003513N) as statutory auditors of the Company and to fix their remuneration for the year 2018-19.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

Item No. 4:

The Company is required under Section 148 of the Act to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration M/S Meenu & Associates, Cost Accountants (Firm's Registration No. Frn; 100729) of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31 March, 2019, at a remuneration of Rs. 20000.00 plus reimbursement of out-of-pocket expenses.

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

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31 March, 2019.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or

interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

Item No. 5

The Board of Directors at its meeting held on 01/09/2018 re-appointed Mr. Devinder Garg (DIN: 01665456) as Managing Director of the Company with effect from August 1, 2018 for the period of Three years subject to approval of shareholders in ensuing Annual General Meeting and on the basis of recommendation of Nomination and Remuneration Committee with a condition the revised remuneration as mentioned below shall be paid from 01/09/2018.

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

Salary : Rs.100000/- (Rs. One Lac /Month only)

Perquisites

Perquisites should be allowed in addition to the salary as but within the overall limit, but not more than the salary fixed per month (Rs. One Lac per month), if any, prescribed under Schedule XIII of the Companies Act, 1956, as amended from time to time. The perquisites shall be evaluated etc. as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

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

The aforesaid remuneration will be subject to the limit of 5% of the net profits as laid down under sub-section (3) of section 309 of the Companies Act, 1956.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Devinder Garg (DIN: 01665456), the Company has no profits or the profits