# 47th
# ANNUAL REPORT
# 2019-20

## GARG FURNACE LIMITED

# GARG FURNACE LIMITED

# MANAGEMENT

## BOARD OF DIRECTORS

| | | |
|---|---|---|
| **DIRECTORS (PROMOTERS)** | : | Sh. Devinder Garg (Executive Chairman)<br>Smt. Vaneera Garg (Women, Non Executive Director) |
| **DIRECTORS INDEPENDENT** | : | Sh. Manjeet Singh<br>Sh. Dharam Chand |
| **AUDITOR** | : | M/s R.K Chadha & Co.<br>GT Road, Miller Ganj,<br>LUDHIANA 141 003 (Resigned)<br><br>M/s Ashwani & Associates<br>19-A, Block-B, Udham Singh Nagar, Tagore Nagar, Ludhiana, Punjab 141001 (Appointed) |
| **COST AUDITOR** | : | Meenu & Associates<br>H.No. S-200, Basant Vihar Colony<br>Noorwala Road, LUDHIANA. |
| **BANKERS** | : | Indian Bank |
| **REGISTERED OFFICE & WORK** | : | Kanganwal Road, V.P.O. Jugiana,<br>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:
Ph No. 0161-2512285
Email: gargfurnace@yahoo.com, Web: www.gargfurnace.com

## NOTICE

Notice is hereby given that the **47th** Annual General Meeting of the members of the company would be held on **Wednesday, the 30th day of September, 2020 at 10:30 A.M**. at the Registered office at Kanganwal Road V.P.O. Jugiana G T. Road, Ludhiana-**141120** to transact the following business: -

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended **March 31, 2020** and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.

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

**SPECIAL BUSINESS**

**3**. **Appointment of Statutory Auditor to fill casual vacancy**:

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

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

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

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

"**RESOLVED that** pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. Ashwani & Associates, Chartered Accountants, (Firms Registration No. 000497N), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 47th Annual General Meeting till the conclusion of the 52nd Annual General Meeting of the Company to be held in the year 2025, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company."

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of **INR. 20000.00** (Rs. Twenty Thousand Only) plus out-of-pocket expenses payable to M/S Meenu & Associates, Cost Accountants (Firm's Registration No. Frn; 100729 ) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending **31 March, 2021."**

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

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

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

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

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

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

For and on behalf of the Board
SD/-
Devinder Garg
Chairman
DIN :01665466

Place: LUDHIANA
Date: 02/09/2020

**NOTES:**

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

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

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

b) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special business under Item Nos. 3 and 5 above, is annexed hereto.

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

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

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

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

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

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

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

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

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

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

m) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the

Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

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

o) **Voting through electronic means**

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their rights to vote at the 47th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).The instructions for e-voting are as under:

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

(i) The voting period begins on **Saturday, 26th September, 2020 (9.00AM IST)** and ends on **Tuesday, 29th September, 2020 (5.00PM IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23rd September, 2020**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

**Or**

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

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

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

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

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• 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 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

(xxi) Note for Non – Individual Shareholders and Custodians

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

(i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date **23rd September, 2020** may follow the same instructions as mentioned above for e-Voting.

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

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

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

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

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

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

**EXPLANATORY STATEMENT**

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

**Item No. 2:**

A brief profile of the Directors to be re-appointed is given below, along with Information pursuant to the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 seeking re-appointment in AGM.

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

**Item No.3:**

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

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

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

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

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

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