



**GARG
FURNACE LTD.**

November 21, 2025

To

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400001

Subject: Press Release issued dated November 21, 2025

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Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Press Release dated November 21, 2025 being issued by the Company for dissemination to the investors and public.

The same is for your information and record please.

Thanks and Regards

For Garg Furnace Limited

DEVIN
ER GARG

Devinder Garg
Managing Director
DIN: 01665456

GARG FURNACE LIMITED ANNOUNCES STRONG Q2 FY 2025-26 RESULTS

Ludhiana

21 November 2025

Performance Driven by Value-Added Steel & Process Innovation.

"This year, we did not depend on market prices for growth—we created our own growth through science, innovation, and discipline. Our shift toward value-added steel has strengthened our margins, while our upcoming alloy steel expansion through Vaneera will position us among the most competitive mid-sized steel players in North India. FY 2024–25 was a foundation-building year : FY 2025–26 will be the year of accelerated scale."

Toshak Garg, Director - Garg Furnace Limited

WHAT DROVE THIS GROWTH ?

The Company attributes its strong performance to three pillars:

1. Growing Contribution of Value-Added Steel

The Company expanded supply of specialized steel grades tailored for automotive, agri-machinery, engineering, and precision industrial applications. These grades command superior realizations and customer stickiness.

2. Chemistry-Led Product Innovation

Garg Furnace invested in optimizing internal chemistry—balancing carbon, manganese, chromium, and other elements—to offer performance-led steel rather than commodity-driven steel.

This shift allowed the Company to:

- Maintain 100% capacity utilization
- Improve margins independent of steel price fluctuations
- Secure recurring orders from OEM—Tier 2 suppliers.

3. Disciplined cost control.

Process optimisation across melting and rolling operations further strengthened operational efficiency, enabling sharper cost competitiveness. Tight control over power, scrap sourcing, and yield losses contributed meaningfully to margin expansion throughout the quarter.

Ongoing Expansions :

Our Subsidiary Company Vaneera Industries Ltd. Is in the process of setting up a new facility for alloy steel which will significantly enhance the Company's product mix and long-term profitability providing access to:

- Advanced metallurgy (LRF, EMS, VD)
- Premium alloy steel grades
- Auto, engineering, and defense-focused customers

Outlook :

The Company remains strongly positioned for FY 2025–26 and further years with focus on:

- Scaling alloy steel volumes post Vaneera integration
- Increasing share of high-strength & performance-led steel
- Continuing bottom-line-led growth

REVENUE GROWTH ▲

₹6,138.43 lakh in Q2 FY26

Up 2.04% QoQ (vs ₹6,015.31 lakh in Q1 FY26)

Largely stable YoY despite industry-wide softening

OPERATING PROFIT GROWTH ▲

QoQ Growth +111.5%

(Q2 FY26 3.11 Cr vs Q1 FY26 1.47 Cr)

YoY Growth +190.7%

(Q2 FY26 3.11 Cr vs Q1 FY26 1.47 Cr)

OPM% EXPANSION ▲

QoQ Marging Expansion

2.44% → 5.07%

+263 bps improvement

YoY Marging Expansion

1.72% → 5.07%

+335 bps improvement

PROFIT GROWTH ▲

₹274.19 Lakh

Net Profit

Up 119.5%

Net Profit

Up 272.3% YoY

vs 124.88 Lakh

HALF-YEAR PERFORMANCE ▲

₹12,153 Lakh

H1 FY26 Revenue

₹399.07 Lakh

H1 FY26 Net Profit

(73.6% Higher vs last year's H1)