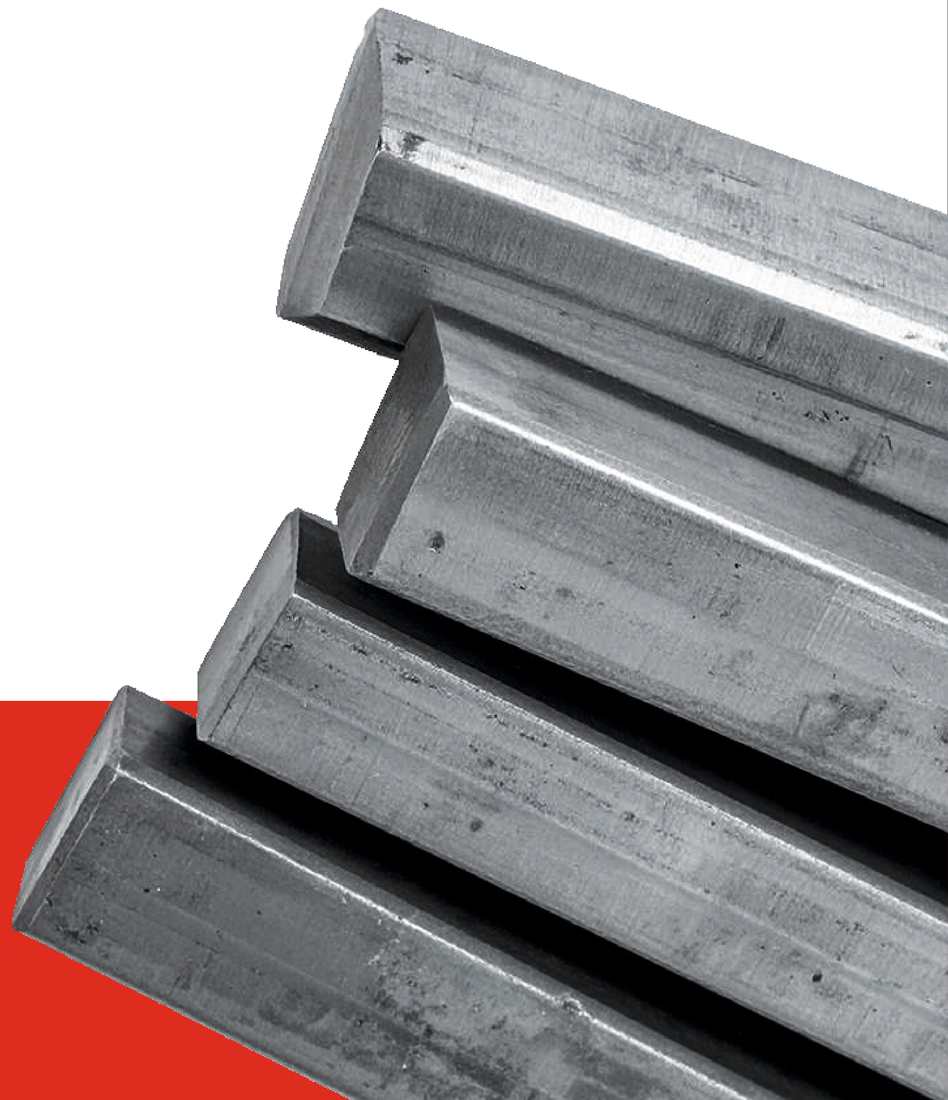
GARG
FURNACE LTD.

VANEERA INDUSTRIES LTD
PASSION FOR GROWTH

GARG FURNACE LIMITED & VANEERA INDUSTRIES LTD.

FORGING THE **FUTURE OF STEEL** WITH **INNOVATION AND INTEGRATION**



Investor Presentation 2026

Industrial Area C, Dhandari Kalan, Ludhiana, Punjab 141017
www.gargfurnacelimited.com

OUR STRATEGIC **ROADMAP TO GROWTH**

Creating a new mid-market category – between commodity induction-furnace steel and premium EF steel – and scaling fast within it

35%

Improvement in realization &profitability – from the same production base.

2.5X

Production growth this year alone.

5.5X

Growth from today, in 2 years

6.5X

Growth from today, in 4 years



And this is just the beginning. Vaneera Phase 2 (204,000 MT) lands December 2027, forward integration into rolling starts next, and we're still early in a multi-year build-out.

WE'RE CREATING A **NEW PRODUCT CATEGORY**

GARG FURNACE LTD.

Not competing in an existing market — building the one that doesn't exist yet.

COMMODITY

MILD STEEL

Basic quality
General applications
Bulk / price-driven

GFL / VANEERA ALLOY STEEL

THE NEW MIDDLE

Mid-to-high quality
5-10% below EF pricing
Few players serve this route today



PREMIUM

EF STEEL

Very high quality
Auto, defence, aerospace
Premium / export pricing

This isn't a pricing tweak — it's a new category. We're defining the mid-premium alloy steel route between commodity and EF, before larger players formalize it.

PEOPLE.
PROCESS.
PROGRESS.

EXECUTIVE **SUMMARY**

GARG
FURNACE LTD.

1 Established player in the steel manufacturing sector

2 Proven expertise in MS & Alloy Steel billets & rounds.

3 Expanding into high-value alloy steel and import-substitution-based products.

4 Focused on growth, sustainability, and shareholder value

5 51% Controlling stake in Vaneera Industries Ltd., strengthening value-added capabilities



WHERE IS THIS **HEADED**

This capacity build-out is phase one. Here's the platform we're building toward.

DEFENCE-GRADE CERTIFICATION

Moving beyond general engineering into certified defence and aerospace-grade alloy steel — a premium, high-barrier segment with far fewer qualified suppliers.



STAINLESS STEEL-SECOND VERTICAL

Expanding beyond alloy steel into stainless steel production — an entirely new product line and customer base, not just more of the same.



CROSS-BORDER CONSOLIDATION PLATFORM

Positioning GFL/Vaneera as a consolidator — not just a producer — in the global alloy steel space, via strategic partnerships and acquisitions.





PRESENT **OPERATIONS**

GARG FURNACE LTD.

CORE PRODUCTS

STEEL BILLETS



STEEL ROUNDS



LUDHIANA, PUNJAB
LOCATION

48,000 MT (FY 26-27), 100% ULITISATION
INSTALLED CAPACITY (GFL)

₹289 CR
FY 25–26

104,000 MT (FY 26-27)
COMMISSIONED 2026
(2X GROWTH POTENTIAL)
INSTALLED CAPACITY (VIL)

FOCUS ON
INCREASING BOTTOM LINE
& NEW PRODUCT DEVELOPMENT

100% RECYCLED SCRAP
ENVIRONMENTALLY RESPONSIBLE

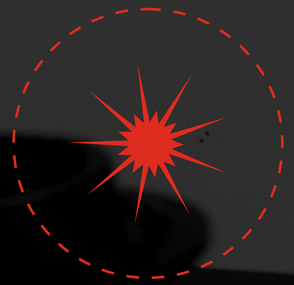
ACTION OF CHEMISTRY LED INNOVATION
OF VALUE ADDED ROUND FROM MAY 2026

Value Addition at Garg Furnace
Unlocking New Market Potential

CHEMISTRY-LED INNOVATION **DRIVING MARKET EXPANSION**

At Garg Furnace Limited, we have taken a strategic leap forward by modifying the chemistry of our steel products – tailored to meet specific performance needs of downstream industries.

WHAT WE'VE **DONE**



Introduced customized alloying in our standard product lines.



Fine-tuned carbon, manganese, and chromium levels to create enhanced strength and machinability profiles.

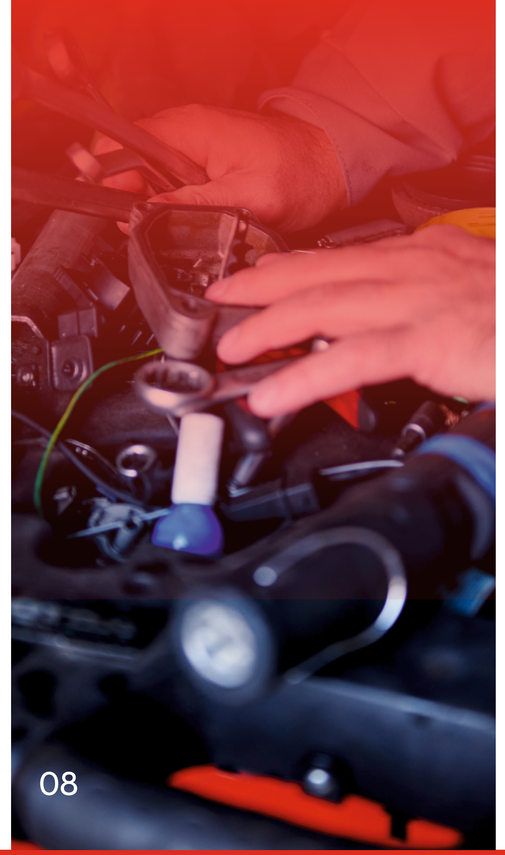


Optimized rolling practices for improved grain structure and dimensional tolerance.

RESULT : ENTRY INTO NEW CUSTOMER SEGMENT

GARG FURNACE LTD.

We now serve to replacement market suppliers of OEMs.



Products are being used in critical applications such as auto components, agricultural machinery, and industrial fasteners.



We have become a preferred vendor for Tier-2 suppliers catering to large OEMs.



IMPACT ON BUSINESS

1. Higher realization per ton due to performance-linked pricing.
2. Low capital, high margin shift from commodity-grade to value-added grades.
3. Improved customer retention through technical support and performance consistency.

Year	23-24	24-25	25-26
Revenue(Cr.)	258	262	289
EBITDA(Cr.)	5	8	13
PAT(Cr.)	6	11	11

VANEERA INDUSTRIES LTD. COMMISSIONED – AUGUST 2026

GARG FURNACE LTD.



LOCATION
LUDHIANA, PUNJAB

ACQUISITION
51% CONTROLLING STAKE

STRATEGIC FIT
HIGH-GRADE FORGEABLE ALLOY STEEL PRODUCTION FOR AUTO, ENGINEERING, RAILWAYS AND DEFENCE SECTORS.

CLEARANCES
ENVIRONMENTAL CLEARANCES OBTAINED

TECHNOLOGIES
ELECTROMAGNETIC STIRRER , LADLE REFINING FURNACE, VACUUM DEGASSING

204,000 MT ALLOY STEEL P.A.
TOTAL PLANNED CAPACITY



ALLOY STEEL

UNLOCKING A NEW MARKET SEGMENT

STRATEGIC POSITIONING: **HIGH QUALITY AT MID-RANGE PRICING**

GARG
FURNACE LTD.



As part of our expansion into the alloy steel segment through Vaneera Industries Ltd., we are introducing a differentiated product offering.

Our alloy steel serves as a substitute for arc furnace steel at a 5–10% lower price, unlocking a new mid-premium market that was previously underserved.

PRODUCT HIGHLIGHTS

- **Manufacturing Technology**
  Ladle Refining Furnace (LRF) for precise temperature control and impurity removal
- **Electromagnetic Stirring (EMS)**
  For uniform grain structure and improved mechanical properties.
- **Vacuum Degassing (VD)**
  For superior cleanliness and lower hydrogen/oxygen content.
- **Chemistry and purity**
  Closer to that of Electric Furnace (EF) materials

PRICE QUALITY POSITIONING

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

STRATEGIC **ADVANTAGE**

GARG
FURNACE LTD.

Taps demand from Tier-1/2 automotive, engineering, and component manufacturers.

Ideal for import substitution and large OEM contracts.

Cost-effective replacement for customers unwilling to pay EF premiums but seeking higher strength and consistency.

Total Planned Capacity:
204,000 MT alloy steel p.a. & Rolling Mill - Forward Integration from Billets to Rounds



OUR ADDRESSABLE CUSTOMER **ECOSYSTEM**

GARG FURNACE LTD.

Our alloy steel billets & rounds serve as the critical raw material across high-value, quality-sensitive downstream industries



Railways & Railway Components



Defence & Aerospace



Automobile & Auto Components



Forging Industry



Bright Bar Manufacturers



Peeled & Ground Bar Manufacturers

ADDITIONAL HIGH-POTENTIAL **SEGMENTS**

GARG FURNACE LTD.

19 further downstream industries where alloy steel billets & rounds are a core input

1 **Engineering & Heavy Engineering**
Shafts, gears, pins, rollers, structural machine components

2 **Oil & Gas**
High-strength shafts, valves, flanges, fittings, OCTG-related components

3 **Power Generation**
Turbine, generator and high-temperature/high-strengthcomponents

4 **Construction & Earthmoving Equipment**
Excavators, loaders, cranes, mining equipment, hydraulic components

5 **Agricultural Machinery**
Tractor components, axles, shafts, gears, tillage equipment

6 **Mining Equipment**
Crusher components, shafts, pins, wear-resistant components

7 **Bearings & Bearing Components**
Bearing rings and other alloy-steel components

8 **Gears & Transmission Manufacturers**
Transmission gears, shafts, differential components

9 **Industrial Fasteners**
High-tensile bolts, studs, nuts, specialized fasteners

10 **Hydraulic & Pneumatic Components**
Rods, shafts, pins, high-strength precision components

11 **Industrial Chains**
Roller chains, conveyor chains, heavy-duty chain components

12 **Spring Manufacturers**
Automotive and industrial springs requiring spring-grade alloy steel

13 **Wind Energy**
Shafts, gears, bearing components, heavy-duty forged parts

14 **Defence & Heavy Vehicle Manufacturers**
Axles, shafts, gears, pins, high-strength components

15 **Shipbuilding & Marine Engineering**
Shafts, couplings, pins, marine-grade components

16 **Machine Tools**
Spindles, shafts, precision components, tool-machine parts

17 **Industrial Valves & Pumps**
Valve bodies, stems, shafts, pressure-bearing components

18 **Railway Wagon & Coach Components**
Axles, suspension components, couplers, forged parts

19 **Steel Service Centres / Stockists**
Alloy steel rounds and billets for downstream processors

VANEERA – **FACILITY ROADMAP**

Phase 1 (104,000 MT/PA)
Commercial production started 21st August, 2026.

Phase 2 (204,000 MT/PA)
Completion by December 2027.Rolling Mill - Forward Integration from Billets to Rounds

Targeted for **auto components, specialty engineering, railways, defence and exports.**

Captive solar installation to **reduce cost and increase bottom line.**

GFL – **ROADMAP**

Installled capacity enhancement to **100,000 MT**

Captive solar installation to **reduce cost and increase bottom line.**



MARKET **OPPORTUNITY**

Sizing the alloy & specialty steel opportunity — from national demand down to our committed capacity

TAM

India specialty / alloy steel

42 MILLION TONNES

Government-targeted specialty steel output by FY2026-27, up from 18 MT — driven by the 6,322 Cr PLI Specialty Steel Scheme designed to substitute currently-imported value-added grades.

SAM

Our addressable segment

ALLOY BILLETS & ROUNDS

Forgeable alloy steel for auto components, general engineering, railways and defence — concentrated inthe North India (Punjab) auto-parts and forging ecosystem where GFL/Vaneera already operate.

SOM

GFL + Vaneera planned output

276,000 TONNES

Combined production planned by FY 2029-30 as installed capacity scales to 325,200 MT — our committed, funded share of the addressable market.

~0.66% of TAM

Watch Item: India's steel imports rose 49.2% YoY in Q1 FY27 — cheaper imports remain a live competitive pressure even as PLI-driven import substitution expands the addressable market.

RISK FACTORS & **MITIGATION**

GARG FURNACE LTD.

Raw material (scrap) price volatility

100% recycled-scrap IF route – margins move with global scrap and freight cycles.

Mitigation: Back-to-back customer pricing clauses diversified scrap sourcing.

Power / furnace downtime

IF + LRF + VD is power-intensive : High Power Cost

Mitigation: Plan For Captive solar underway (13 MW Vaneera, 5MW GFL) cuts power-cost variability.

Customer concentration

Early-stage OEM / Tier-2 relationships could skew revenue to a few accounts.

Mitigation: Diversifying across auto, engineering, rail,defence forward integration into rolling (then downstream) widens the buyer base beyond billet customers.

Import competition / margin pressure

Cheaper imported alloy steel could undercut our below-EF pricing model.

Mitigation: Forward integration starting with a rolling mill – and expanding downstream from there – captures more value-add and reduces reliance on commodity billet pricing.

Regulatory / environmental

Emissions norms, scrap-sourcing compliance, evolving green-steel classification.

Mitigation: Working on green-steel norms.

Execution risk – Phase 2

Vaneera Phase 2 (204,000 MT) targeted for Dec 2027 a large capex/timeline commitment.

Mitigation: Phase 1 already commissioned and in commercial production; phased capex from internal accruals.

OUR LEADERSHIP TEAM – PROVEN LEADERSHIP, STRATEGIC DIRECTION

Proven leadership across Garg Furnace Limited and Vaneera Industries Limited

Mr. Devinder Garg
Chairman & Managing Director – 40+ years in steel manufacturing

Mr. Toshak Garg
Director GFL
Operations, Marketing & Finance

Mrs. Vaneera Garg
Director & Executive Director GFL
People & Finance Leadership | ESG

Mr. Daksh Garg
Director, VIL
Operations & Finance

Mrs. Nivedita Garg
Director, VIL
Marketing & Investor Relations

Mrs. Ridhima Garg
Director, VIL
People & Finance Leadership | ESG

Independent Directors (GFL Board)

Ms. Purti Katyal
Corporate Governance & Compliance

Mrs. Shruti Gupta
Strategic Oversight & Regulation

Mrs. Amandeep Kaur
Board Oversight & Governance



THANK YOU

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