



NOWELCO INDUSTRIES PVT. LTD

(ELECTRODES DIVISION)

REGISTERED OFFICE :
TF-32, THIRD FLOOR,
MILLENNIUM PLAZA, G.E. ROAD,
RAIPUR - 492 001. (C.G.)
Telefax : 0771 4055119

DIRECTOR'S REPORT

To,
The Members of
M/s Nowelco Industries Private Limited

Your Directors are please to present the 22nd Annual Report together with the audited financial statement of the Company for the financial year ended on 31st March, 2021.

1. FINANCIAL RESULTS:

(In Rupees)

Particulars	2020 - 2021	2019 - 2020
Revenue from operations	4,24,39,224	1,96,91,444
Other Income	91,129	2,20,138
Profit/ (Loss) before depreciation, exceptional & extraordinary items & tax	24,41,335	(15,27,999)
Less: Depreciation	5,53,043	6,94,039
Less: Exceptional & Extraordinary items	-	-
Profit/ (Loss) before tax	(18,88,292)	(8,33,960)
Less/ (Add): Tax expenses (Deferred Tax)	(78,839)	(1,05,047)
Profit/ (Loss) after taxation	(18,09,453)	(7,28,913)

2. REVIEW OF PERFORMANCE:

During the year sale is Rs.4,24,39,224/- as compared with previous year of Rs.1,96,91,444/-, the company has incurred loss of Rs.18,09,453/-.

3. DIVIDEND

In order to conserve the resources of the company, your Directors do not recommend any dividend for the year under review.

4. AMOUNT TRANSFERRED TO RESERVES

The Board of the company do not wish to transfer any amount to Reserves.

"Money Grows on Tree Recycle Paper"



5. NUMBER OF BOARD MEETING & ATTENDANCE

Four meetings held were held during the financial year 2020 - 2021, dates and attendance details:

Sr. No	Date of meeting	Total No. of Directors on the date of meeting	No. of Directors attended	% of attendance
1	30.07.2020	2	2	100
2	28.09.2020	2	2	100
3	23.12.2020	2	2	100
4	20.03.2021	3	3	100

6. CORPORATE GOVERNANCE

The company has been following best Corporate Governance practice, the management strives to protect the interest of all stakeholders in most transparent and fair manner.

7. EXTRACT OF ANNUAL RETURN

Since the Company doesn't have its website, we have not uploaded the 'Extract of Annual Return'.

8. HOLDING COMPANY

The Company is a subsidiary Company of M/s Diffusion Engineers Limited (CIN-U99999MH2000PLC124154).

9. PARTICULARS OF LOAN, GURANTEES & INVESTMENTS UNDER SECTION 186

There were no transactions related to loans, guarantees and investments under Section 186 of the Companies Act, 2013.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. Pursuant to Section 134 (3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there were no transactions to be reported under Section 188 (1) of the Companies Act, 2013.

11. AUDITORS

At the AGM held on 29th September, 2017, Mr.DevendraGhate, Chartered Accountant, (Membership No - 160445), Nagpur were appointed as Statutory Auditors of the Company for a period of five consecutive year, and the Boards of Directors of the Company be and are hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties. As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as Auditor of the Company.

12. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit / loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. ACKNOWLEDGEMENT

Your Directors place on record their gratitude to government authorities, Bankers and all stakeholders for the assistance, co - operation and encouragement they extended to the Company. Your directors also wish to place on records their sincere thanks and appreciation to Employees at all levels for continuing support and unstinting efforts in ensuring an excellent all around operational performance.

**For and on behalf of the Board of Directors of
Nowelco Industries Private Limited**

NOWELCO INDUSTRIES PVT. LTD.


DIRECTOR

**Place : Nagpur
Date : 02.09.2021**

**Prashant Garg
(DIN - 00049106)
Director**



INDEPENDENT AUDITORS' REPORT

To,
The Members of:
Nowelco Industries Pvt. Ltd.,
Raipur.

Report on the Financial Statements

We have audited the accompanying financial statements of **Nowelco Industries Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021 and the Statement of Profit & Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the

Annual Report
2020-21





standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred as above.
- e. On the basis of written representations received from the directors as on 31st March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021, from being appointed as a director in terms of section 164(2) of the Act.

Place: Nagpur

Date : 02.09.2021

UDIN :- 21160445AAAAC96632




DEVENDRA GHATE
Chartered Accountant

Proprietor
(Mem. No. 160445)



STATEMENT REFERRED TO IN PARAGRAPH ABOVE OF MY REPORT OF EVEN DATE

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
b) According to the information and explanations given to me, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in my opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
2. a) As explained, the inventories have been physically verified by the management at reasonable intervals during the year. In my opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
b) In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
c) The Company has maintained proper records of inventories. As explained to me, there was no material discrepancies noticed on physical verification of stocks, as compared to book record.
3. a) There is no unsecured loan during the financial year.
b) In my opinion, the rate of interest and other terms and conditions of the above loan are prima facie not prejudicial to the interest of the Company.
c) Since the loan is payable on demand no question arises as regards regularity of payment of principle amount. The interest payable has been credited to the loan account.
d) The Company has not advanced any loans. There are no overdue amounts exceeding Rs. 1.00 lakhs for payment of interest and principles and hence, no question arises as regards reasonability of steps taken for recovery / payment of the overdue principles and interest.
4. In my opinion, and according to the information and explanation given to me, there are adequate internal control procedures commensurate with the size of Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. In my opinion and according to the information and explanations given to me, there is no continuing failure to correct major weaknesses in internal control.
5. a) That transactions that need to be entered into a register in pursuance of Section 301 of the Act has been properly entered into.
b) The transactions have been made at reasonable rates having regard to the prevailing market prices.





6. The company has not accepted any public deposits.
7. The company is having internal Audit system which is commensurate with the size of Company and the nature of its business.
8. The company is not required to maintain Cost Records as per the provisions of companies Act. 2013.
9. According to the information and explanations given to me, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales-Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and GST which are outstanding as at 31.03.2021 for a period of more than six months from the date they became payable.
10. There are accumulated losses at the end of the financial year. The brought forwarded losses for the period 2011-12, 2012-13, 2013-14, 2014-15, 2016-17, 2017-18, 2018-19 and 2019-20 are of Rs.18,45,143/-, Rs.11,52,371, Rs.9,60,777, Rs.10,37,388, Rs.14,98,454, Rs. 19,68,483, Rs. 9,19,571 and Rs. 7,28,913/- (losses net of Deferred Tax) respectively..
11. According to the information and explanations given to me the company has not defaulted in repayment of dues to a financial institution or bank.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The company is not a chit fund, Nidhi or Mutual Benefit Society. Hence the requirements of item (xiii) of paragraph 4 of the Order is not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures or Other investments.
15. According to the information and explanations given to me, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. As per information and explanations given to me, the term loan was applied for the purpose of which it was obtained.
17. According to the information and explanations given to me, no funds raised on long -term basis have been used for short term investment and vice a versa
18. According to the information and explanations given to me, no preferential allotment of shares had been made by the company to companies, firms or other parties listed in the register maintained under the provisions of Companies Act, 2013.
19. The company has not issued any debentures. Hence the requirements of Clause (xix) of paragraph 4 of the Order is not applicable to the Company.
20. The company has not raised any money by way of public issue.





21. According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the year.

Place: Nagpur

Date : 02/09/2021

UDIN: 21160445AAAA CG 663 2



DEVENDRA GHATE
Chartered Accountant

Devendra Ghate
Proprietor
(Mem. No. 160445)



M/S. NOWELCO INDUSTRIES PVT. LTD., RAIPUR (C.G.)

NOTES OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS
FORMING PART OF STATEMENTS OF ACCOUNTS AS ON 31.03.2021

A. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF ACCOUNTING:

The Company follows the mercantile system of accounting. The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles.

Significant items of Income & Expenditure are accounted for on accrual basis unless otherwise specifically stated.

Some other revenue expenses, the benefit from which is to accrue over an enduring length of time, are treated as Deferred Revenue Expenditure and appropriate portion thereof has been charged to Profit & Loss Account.

2. REVENUE RECOGNITION:

Revenue from the sale of goods are recognized upon passage of title to the customers which generally coincides with their delivery.

3. FIXED ASSETS & DEPRECIATION:

Fixed Assets are stated at cost net of CENVAT / Value Added Tax, rebates, less accumulated depreciation except Land & Site Development which is stated at cost.

Depreciation is provided on Written Down Value Method under Schedule II of Companies Act, 2013.

4. INVENTORIES:

Inventories are valued as follows:-

a) Finished Goods	-	At Cost
b) Raw Material & Packing Material	-	At Cost

5. PROVISION FOR CURRENT AND DEFERRED TAX

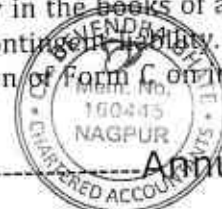
Provision for current tax is not made as company is having a loss during the year. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable / virtual certainty that the asset will be realized in future.

6. MISCELLANEOUS EXPENDITURE:

All Expenditure, the benefit of which is spread over a number of years, are grouped here and are not amortized over a period due to the loss incurred during the year.

7. CONTINGENT LIABILITIES:

Contingent Liabilities are generally not provided for in the books of account. It was informed that the company does not foresee any contingent liability. The Sales Tax department has raised a demand for non-submission of Form C on interstate sales.





- The company has filed appeal challenging the said demand. As informed by the management, the company is expecting a relief in the appellate proceedings.
8. GRANTS/SUBSIDIES:
Capital Investment subsidy received under the Central/State Investment incentive scheme is credited to Capital Investment Subsidy A/c under Reserve and Surplus and treated as part of shareholders funds.
- B. NOTES ON ACCOUNTS:**
9. There is no unsecured loan during the current financial Year.
10. Cash in hand as on 31.03.2021 could not be physically verified hence I have relied on the certificate from the management of the Company in this matter.
11. As per information and explanation given to me, there are no prior period items and change in accounting policies which affects the Balance Sheet and Profit & Loss Account materially.
12. On the basis of information available, the company does not owe sum exceeding Rs. 1.00 Lacs or interest as on 31st March 2021 for more than 30 days to any Small-Scale Industrial Undertaking. Since, the status of the suppliers cannot be exactly ascertained reporting in this regard is made on oral information received.
13. In the opinion of the board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business and provision for all known liabilities is made in the accounts.
14. As explained to me, no provision for gratuity is made in the accounts as none of the employees have completed the qualifying period of service.
15. Balances of all the Sundry Debtors, Sundry Creditors are subject to Confirmation.
16. The closing stock has been valued as taken and certified by the management. The valuation of finished goods is made at cost
17. Managerial Remuneration was paid during the year.
18. a) Previous year figures have been regrouped / rearranged wherever considered necessary.
b) Figures in brackets, as shown above, indicate previous year figures.

Signature to Notes '1' to '18'

As per my Report of even date attached



Devendra Ghate
DEVENDRA GHATE
Chartered Accountant
Proprietor
(Mem. No. 160445)

Place: Nagpur

Date : 02.09.2021

UDIN: 21160445 AAAA C 96632

NOWELCO INDUSTRIES PRIVATE LIMITED

BALANCE SHEET AS ON 31ST MARCH 2021

PARTICULARS	As at March 31, 2021			AS At March 31, 2020	
	NOTES			₹	₹
<u>EQUITY AND LIABILITIES</u>					
Shareholder's funds					
(a) Share Capital	3	1,24,55,500		1,24,55,500	
(b) Reserves and Surplus	4	(81,60,574)	42,94,926	(63,51,121)	61,04,379
Share application money pending allotment					
Non-current liabilities					
(a) Long-term borrowings	5	-		-	
Current Liabilities					
(a) Short term borrowings	6	45,63,453		48,48,695	
(b) Trade payables	7	40,46,381		3,44,384	
(c) Other current liabilities	8	1,36,64,865		1,17,47,827	
(d) Short term provisions	9	11,13,925	2,33,88,624	5,16,454	1,74,57,360
TOTAL			2,76,83,550		2,35,61,739
<u>ASSETS</u>					
Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		1,05,17,440.00	1,05,17,440.00	1,10,70,483	1,10,70,483
(ii) Intangible assets					
(b) Deferred tax assets (net)			7,56,145		6,77,306
Current assets					
(a) Inventories	11	32,90,778		46,60,244	
(b) Trade receivables	12	90,67,401		32,83,750	
(c) Cash and Cash equivalents	13	91,414		20,150	
(d) Short-term loans and advances	14	39,60,372	1,64,09,965	38,49,806	1,18,13,950
TOTAL			2,76,83,550		2,35,61,739
Contingent Liabilities					
Significant accounting policies and notes to accounts					

As per our report of even date

For and on behalf of the Board of Directors of
Nowelco Industries Private Limited

Devendra Ghate
DEVENDRA GHATE

(Chartered Accountants)
Membership Number: 160445
Place : Raipur
Date :-02/09/2021
UDIN :-



21160445AAAA CG6632

Prashant Garg
Prashant Garg
Director

DIN :- 00049106
Place : Raipur
Date :

Nitin Garg
Nitin Garg
Director

DIN - 08558736

NOWELCO INDUSTRIES PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD 31ST MARCH 2021

	PARTICULARS	NOTES NO	As at March 31, 2021		AS At March 31, 2020	
			₹	₹	₹	₹
i	Revenues from operations	15	4,24,39,224		1,96,91,444	
ii	Other income	16	91,129		2,20,138	
iii	Total Revenue			4,25,30,353		1,99,11,582
iv	Expenses					
	Cost of material consumed	17	3,46,60,185		1,46,07,786	
	Direct Expenses	18	39,76,048		27,14,939	
	Changes in inventories	19	22,38,782		1,26,194	
	Employee benefit expenses	20	11,36,733		11,67,803	
	Finance costs	21	5,58,669		4,60,234	
	Depreciation expenses and amortisation expenses	10	5,53,043		6,94,039	
	Others expenses	22	12,95,184		9,74,547	
	Total expenses			4,44,18,644		2,07,45,542
v	Profit before exceptional and extraordinary items and tax			(18,88,292)		(8,33,960)
vi	Prior Period Items			-		-
vii	Profit before income tax			(18,88,292)		(8,33,960)
viii	Tax expenses:					
	Current income tax				-	
	Short / (Excess) Provision for Income Tax				-	
	Deferred income tax		(78,839)	(78,839)	(1,05,047)	(1,05,047)
	Profit for the period			(18,09,453)		(7,28,913)
	Earnings per equity share:					
	Basic			(2.14)		(0.86)
	Diluted			(2.14)		(0.86)

As per our report of even date

Devendra Ghate
DEVENDRA GHATE
 (Chartered Accountants)
 Membership Number: 160445
 Place : Raipur
 Date : -02/09/2021
 UDIN : 21160445 AAAACG6632



For and on behalf of the Board of Directors of
 Nowelco Industries Private Limited

Prashant Garg
Prashant Garg
 Director
 DIN :- 00049106
 Place : Raipur.
 Date :

Nitin Garg
Nitin Garg
 Director
 DIN :- 08558736

NOWELCO INDUSTRIES PRIVATE LIMITED				
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2021				
PARTICULARS	AS At March 31, 2021		AS At March 31, 2020	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax		(18,88,292)		(8,33,960)
Adjustments for :				
Bad Debts Written off				
Write Back				
Deferred Tax	78,839		1,05,047	
Depreciation	5,53,043		6,94,040	
Dividend on Investments				
Interest and Finance Charges	5,58,669		4,60,234	
Interest Income				
Loss / (Surplus) on Sale of Fixed Assets / Investments (Net)				
Inter Company Stock Reserve				
CSR				
Operating Profit before Working Capital changes		11,90,551		12,59,321
Adjustment for :		(6,97,740)		-4,25,362
Inventories	13,69,466		(2,47,484)	
Trade Receivables	(57,83,651)		3,43,390	
Other receivables	(1,10,566)		85,278	
Trade Payables & Other Liabilities	62,16,506		1,46,275	
Cash generated from Operations		16,91,755		3,27,460
Direct Taxes Paid		9,94,015		7,52,822
Net Cash Flow from Operating Activities (A)		(78,839)		(1,05,047)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Inflow / (Outflow) on account of :				
Dividend on Investments				
Profit/(loss) on sale of Investments				
Interest Income				
(Purchases) / Sales of Fixed Assets (Net)				
(Purchases) Capital W.I.P				
(Purchases) / Sales of Investments (Net)				
Net Cash Flow from Investing Activities (B)				
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds / (Repayment) from/of Secured Loans	(2,85,242)		(2,24,448)	
Interest and Finance Charges	(5,58,669)		(4,60,234)	
Dividend paid (including tax on dividend)				
Net Cash Flow from Financing Activities (C)		(8,43,912)		(6,84,682)
D. FOREIGN EXCHANGE TRANSLATION RESERVE				
Net Increase / (Decrease) in Cash and Cash Equivalents [A+B+C+D]		71,264		(36,908)
Cash and Cash Equivalents as at the beginning of the year	20,150		57,057	
Cash and Cash Equivalents as at the end of the year	91,414		20,150	
		71,264		(36,908)
Reconciliation to Cash and Bank Balances given in Schedule 6:				
Cash and Bank Balance as at the year end		91,414		20,150
Less:				
Balances in Fixed Deposit accounts kept as security for Overdraft Facilities and Bank Guarantee with the bankers				
Cash and Cash Equivalent as at the year end		91,414		20,150

Previous year figures have been re-grouped, re-classified and re-arranged wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors of
Nowelco Industries Private Limited

DEVENDRA GHATE
(Chartered Accountants)
Membership Number: 160445
Place: Raipur
Date: 02/09/2021



Prashant Garg
Director
DIN - 00049106
Place: Raipur
Date:

Nitin Garg
Director
DIN - 08558736

UDFM: - 21160445 AAAA Cg 6632

NOTES TO ACCOUNTS				
NOWELCO INDUSTRIES PRIVATE LIMITED				
PARTICULARS	₹	₹	₹	₹
NOTE No -3 SHARE CAPITAL				
	As At March 31,2021		AS At March 31, 2020	
<u>AUTHORISED</u> 15,00,000 Equity Shares of Rs 10/- each		1,50,00,000		1,50,00,000
<u>ISSUED SUBSCRIBED & PAID UP</u> 12,45,550 Equity shares of Rs 10/- each		1,24,55,500.00		1,24,55,500
		1,24,55,500.00		1,24,55,500

Class of shares / Name of shareholder	As At March 31,2021		AS At March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Diffusion Engineers Ltd	6,85,510	55.04%	6,85,510	55.04%
M/s.Diffusion super Conditioning Solution	1,50,000	12.04%	1,50,000	12.04%
Mr. Prashant Garg	1,39,400	11.19%		
Mr. N.K. Garg			2,50,800	20.14%
Dr.Nitin Garg	1,25,400	10.07%		
Mrs. Marion Bush	90,800.00	7.29%		

NOTE No. -4 RESERVES AND SURPLUS

	As At March 31,2021		AS At March 31, 2020	
Capital Investment Subsidy		1,50,000.00		1,50,000
<u>Profit & Loss Account</u>				
Opening Balance		(65,01,121)		(57,72,209)
Add : Profit as per statement of profit & loss		(18,09,453)		(7,28,912)
		(83,10,574)		(65,01,121)
Closing Balance		(83,10,574)		(65,01,121)
		(81,60,573.94)		(63,51,121)

NOTE No. -6 SHORT TERM BORROWINGS

	As At March 31,2021		AS At March 31, 2020	
SECURED LOANS				
From Syndicate bank				
Overdraft (Secured against book debts & hypothication of Stock)	45,63,452.88		48,48,695	
Overdraft (ODD) (Secured against Fixed Deposits)		45,63,453		48,48,695
		45,63,453		48,48,695

NOTE No. -7 TRADE PAYABLES

	As At March 31,2021		AS At March 31, 2020	
<u>Sundry Creditors:</u>				
Due to Micro,Medium and Small Enterprises	40,46,381		3,44,384	
		40,46,381		3,44,384
		40,46,381		3,44,384

Prashant Garg

Mrs. Marion Bush



NOTE No. - 8 OTHER CURRENT LIABILITIES

	As At March 31, 2021		AS At March 31, 2020	
Dealer Security Deposit Received	25,000.00		25,000	
Advance Received from Related Parties	1,32,71,703.67		1,16,08,498	
Other Liabilities(including Duties & Taxes)	3,68,161.01		1,14,329	
		1,36,64,865		1,17,47,827
		1,36,64,865		1,17,47,827

NOTE No. - 9 SHORT TERM PROVISIONS

	As At March 31, 2021		AS At March 31, 2020	
Provision for Expenses		11,13,925		5,16,454
		11,13,925		5,16,454

NOTE No. -11 INVENTORIES

	As At March 31, 2021		AS At March 31, 2020	
Raw Materials	28,31,963.00		19,62,646	
Work in Progress	54,002.00		20,73,809	
Finished goods	4,04,813.00	32,90,778	6,23,788	46,60,244
		32,90,778		46,60,244

NOTE No. -12 TRADE RECEIVABLES

	As At March 31, 2021		AS At March 31, 2020	
(Unsecured, considered good)				
Outstanding for a period exceeding six months				
Other Debts		90,67,401		32,83,750
		90,67,401		32,83,750

NOTE No. -13 CASH AND CASH EQUIVALENT

	As At March 31, 2021		AS At March 31, 2020	
Balances with Scheduled Banks				
In Current Accounts	91,356.45		11,840	
In Deposit Accounts - Principal & Accrued Interest		91,356		11,840
Cash in Hand		57.52		8,310
		91,414		20,150

NOTE No. - 14 SHORT TERM LOAN AND ADVANCES

	As At March 31, 2021		AS At March 31, 2020	
Loans and advances to related parties				
<u>Advances with Government Authorities</u>				
CGST RECEIVABLE UNDER RCM	7,844		7,844	
SGST RECEIVABLE UNDER RCM	7,844		7,844	
CGST 9%			5,995	
IGST			25,790	
SGST 9%			5,995	
Advance Income Tax & TDS	13,59,846		13,31,193	
VAT & CST Sales Tax	12,11,869		12,11,869	
		25,87,405		25,96,529
Other Short term loans & advances				

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(Unsecured & considered good)			
Security Deposits Recoverable	8,98,227		8,14,953
Advance To Supplier			-
Advance For Capital Assets	25,000		25,000
Staff Advance	5,600		5,600
Advance to others	4,44,142		4,07,724
		13,72,968	12,53,277
		39,60,371	38,49,806

NOTE No. -15 REVENUES FROM OPERATIONS

PARTICULARS	As At March 31,2021		AS At March 31, 2020	
Sale of Products & Services				
Sales (Manufacturing)	4,24,39,223.71		1,96,91,444	
Less: Returns		4,24,39,224		1,96,91,444
Less:- Excise Duty				-
		4,24,39,224		1,96,91,444

NOTE No. - 16 OTHER INCOME

PARTICULARS	As At March 31,2021		AS At March 31, 2020	
Commission Received				1,78,988
Interest Received CSEB Deposit		20,849.00		-
Freight Charges Recovered		52,300.00		41,150
Pradhan Mantri Garib Kalyan Yojna PF		17,480.00		
Miscellaneous Income		0		
Packing and forwarding		500		
		91,129		2,20,138

NOTE No. -17 COST OF MATERIAL CONSUMED

PARTICULARS	As At March 31,2021		AS At March 31, 2020	
Raw Material Consumed				
Opening Stock	19,62,646		15,88,970	
Add: Purchases	3,55,37,001		1,49,81,462	
	3,74,99,648		1,65,70,432	
Less: Closing Stock	28,39,463	3,46,60,185	19,62,646	1,46,07,786
		3,46,60,185		1,46,07,786

NOTE No. -18 DIRECT EXPENSES

PARTICULARS	As At March 31,2021		AS At March 31, 2020	
Wages Paid		15,08,166		11,12,762
Lab Expenses				-
Carriage Inward & Clearing Charges		6,80,302		3,67,587
Job Work		600		4,000
Power & Fuel		17,86,980		12,30,590
		39,76,048		27,14,939

NOTE No. -19 CHANGE IN INVENTORIES

PARTICULARS	As At March 31,2021		AS At March 31, 2020	
Closing Stock				
Work in Progress	54,002		20,73,809	
Finished Goods	4,04,813		6,23,788	
	4,58,815		26,97,597	
Less: Opening Stock				

Prashant Singh

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Work in Progress	20,73,809		21,07,121	
Finished Goods	6,23,788		7,16,670	
	26,97,597		28,23,791	
Change in Inventories		(22,38,782)		(1,26,194)
		(22,38,782)		(1,26,194)

NOTE No. -20 EMPLOYEE BENEFIT EXPENSES

PARTICULARS	As At March 31, 2021		AS At March 31, 2020	
Salaries & Bonus & Ex-gratia		7,87,442		810147
Company's Contribution to PF, ESIC & Others		36,553		41134
Labour Welfare Fund		3,300		10725
Director Remuneration		3,00,000		2,78,226
Staff Welfare		9,438		27571
		11,36,733		11,67,803

NOTE No. - 21 FINANCE COST

PARTICULARS	As At March 31, 2021		AS At March 31, 2020	
Bank Interest (o.d. 78551250000238)		5,06,798		4,14,638
Bank Charges		51,475		45,596
Other Interest(TDS)		396		-
		5,58,669		4,60,234

NOTE No. - 22 OTHER COST

PARTICULARS	As At March 31, 2021		AS At March 31, 2020	
Entry Tax		0		24,123
Factory Expenses		2,045		1,510
Loading Unloading		7,502		2,780
Filling Fees		23,600		10,200
Inspection Charges		7,000		3,000
ISO Certification Charges		10,000		30,000
Misc Expenses		3,460		2,385
Rates & Taxes(Excise paid and availed)		937		1,700
Security Charges		1,91,225		1,89,392
Insurance		24,924		38,141
Postage, Telegram, Telex & Telephone		23,133		14,655
Printing & Stationery		2,240		3,195
Travelling Expenses & Conveyance:		92,335		10,472
Office Expenses		4,210		2,100
<u>Repairs & Maintenance:</u>				
Machinery :				
Electrical		15,600		-
Mechanical		48,420	16,290	-
Others				16,290
Legal & Professional Charges		1,08,000		56,320
Pooja, Diwali, Gift Expenses & Donation		8,272		10,375
Audit Fees		20,000		15,000
Carriage Outward & Handling Charges		4,03,791		4,17,016
Licence Fees		72,400		95,000
Write off account		13,951		30,893
Testing charges		35,500		-
Tally renewal charges		10,800		-
overriding commission		57,564		-
Factory license fees		78,000		-
GST Paid		8,342		-
Guest House expenses		1,920		-
Incentive Expenses		15,000		-
Round off		13		-
Service tax		5,000		-
TOTAL		12,95,184		9,74,516

Santhosh

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NOWELCO INDUSTRIES PRIVATE LIMITED

Note 8 Fixed assets

A.	Tangible assets	Gross block									
		Balance as at 1 April, 2020	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2021
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1	Land Freehold	19,74,320	-	-	-	-	-	-	-	-	19,74,320
2	Buildings Own use	42,30,796	-	-	-	-	-	-	-	-	42,30,796
3	Plant and Machinery	1,75,22,862	-	-	-	-	-	-	-	-	1,75,22,862
4	Furniture and Fixtures	2,72,025	-	-	-	-	-	-	-	-	2,72,025
5	Electrical Installation	24,47,860	-	-	-	-	-	-	-	-	24,47,860
6	Air Conditioner	25,800	-	-	-	-	-	-	-	-	25,800
7	Computers	2,04,743	-	-	-	-	-	-	-	-	2,04,743
8	Office Equipment	48,525	-	-	-	-	-	-	-	-	48,525
	Total	2,67,26,931	-	-	-	-	-	-	-	-	2,67,26,931
	Previous year	2,67,26,932	-	-	-	-	-	-	-	-	2,67,26,932

Prakash Singh

Prakash



A	Tangible assets	Accumulated depreciation and impairment							Net block	
		Balance as at 1 April, 2020	Depreciation / amortisation / expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 March, 2021	Balance as at 31 March, 2021
		₹	₹	₹	₹	₹	₹	₹	₹	₹
1	Land Freehold	-	-	-	-	-	-	-	19,74,320	19,74,320
2	Buildings Own use	28,44,956	1,31,702	-	-	-	-	-	29,76,658	12,54,139
3	Plant and Machinery	99,49,673	4,05,820	-	-	-	-	-	1,03,55,493	71,67,369
4	Furniture and Fixtures	2,61,690	-	-	-	-	-	-	2,61,690	10,335
5	Electrical Installation	23,28,230	15,521	-	-	-	-	-	23,43,751	1,04,109
6	Air Conditioner	24,829	-	-	-	-	-	-	24,829	971
7	Computers	1,98,724	-	-	-	-	-	-	1,98,724	6,019
8	Office Equipment	48,347	-	-	-	-	-	-	48,347	178
	Total	1,56,56,449	5,53,043	-	-	-	-	-	1,62,09,492	1,05,17,440
	Previous year	1,49,62,410	6,94,039	-	-	-	-	-	1,56,56,449	1,10,70,483
										1,17,64,522

Spandan Singh

Shruti



NCWELCO INDUSTRIES PRIVATE LIMITED
ANNEXURE A
ANNEXURE A
FIXED ASSETS
PARTICULARS OF DEPRECIATION ALLOWABLE AS PER INCOME TAX ACT, 1961

Sr. No.	Description of Assets/Block or Assets	Rate of Depreciation	W.D.V as on 01.04.2020	Additions during the year		Deletion	Total Amount	Depreciation during the period		W.D.V as on 31.03.2021
				On Or Before 30th Sept	After 30th Sept			On Or Before 30th Oct	for the year	
Block A										
1	Factory Land	0%	19,74,320	-	-	-	19,74,320	-	-	19,74,320
Block B										
1	Factory Building	10%	11,77,463	-	-	-	11,77,463	1,17,746	10,59,717	
2	Furniture & Fixture	10%	53,350	-	-	-	53,350	5,335	48,015	
3	Electrical Fittings	10%	48,136	-	-	-	48,136	4,814	43,322	
Block C										
1	Plant & Machinery	15%	8,05,373	-	-	-	8,05,373	1,20,807	6,84,566	
2	Electrical Installation	15%	4,40,964	-	-	-	4,40,964	66,148	3,74,816	
3	Tools & Implements	15%	34,388	-	-	-	34,388	5,158	29,230	
4	Air Conditioners	15%	82,175	-	-	-	82,175	12,326	69,849	
5	Electrical Equipments	15%	1,971	-	-	-	1,971	296	1,675	
6	Cooler	15%	2,35,532	-	-	-	2,35,532	35,330	2,00,202	
7	Mobile Phone	15%	1,816	-	-	-	1,816	272	1,544	
8	Gas Cylinder	15%	1,925	-	-	-	1,925	289	1,636	
9	Gas Water Heater	15%	899	-	-	-	899	135	764	
10	Submersible Pump	15%	958	-	-	-	958	144	814	
			4,725	-	-	-	4,725	709	4,016	
Block D										
			2,783	-	-	-	2,783	1,113	1,670	
1	Computer	40%	2,783	-	-	-	2,783	1,113	1,670	

Depreciation as per IT	2,49,815
Depreciation as per Companies Act	5,53,043
Difference	(3,03,228)
Tax @ 28%	(78,839)
Deferred Tax Assets	(78,839)
DTA due to 43B (Leave Encashment)	(78,839)
Total DTA	(78,839)
Opening Balance (DTA / DTL)	(6,77,306)
Closing Liability as on 31.03.2021 (Net DTA)	(7,56,145)

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 23

Related Party Disclosures :

A. List of Related Parties :
(As certified by the Company)

I. Key Management Personnel
Mr. Prashant Garg
Mr. Nitin Garg

II. Holding Company
Diffusion Engineering Ltd

B. Transactions with Related Parties :

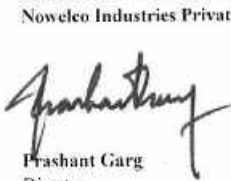
(In Rs.)

Nature of transaction	Holding Company	Holding Company
	FY 2020-21	FY 2019-20
TRADE PAYABLE As On 31.03.2021 Diffusion Engineering Ltd	13,271,704	11,608,498
SALES	19,467,708	7,540,068
EXPENSES Purchases	1,042,793	680,282
Total Debit Note received towards expenses	857,438	1,652,989

NOTE 20.1 Figure in brackets represent Previous Year Figures

NOTE 21 Previous Year's figures have been reworked / regrouped / rearranged / reclassified wherever necessary to make them comparable with the current year.

For and on behalf of the Board of Directors of
Nowleo Industries Private Limited



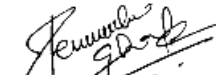
Prashant Garg
Director
DIN :- 00049106
Place: Raipur
Date :-02/09/2021



Nitin Garg
Director
DIN :- 08558736

As per our Report of even date attached.

For DEVENDRA GHATE
CHARTERED ACCOUNTANTS —

DEVENDRA GHATE
PROPRIETOR
M. No. 160445